

uMLALAZI MUNICIPALITY



DRAFT BUDGET AND MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) COMMENCING IN 2013/2014

5 MARCH 2013

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ABBREVIATIONS AND ACRONYMS

| | | |
|--------|---|---------------------------------------------------|
| COGTA | - | Co-Operative Governance and Traditional Affairs |
| CPI | - | Consumer Price Index |
| DORA | - | Division of Revenue Act |
| GRAP | - | Generally Recognised Accounting Practice |
| IBT | - | Inclining Block Tariff |
| IDP | - | Integrated Development Plan |
| KDS | - | King Dinuzulu Suburb |
| KWH | - | Kilowatt Hour |
| LED | - | Local Economic Development |
| LG | - | Local Government |
| MIG | - | Municipal Infrastructure Grant |
| MFMA | - | Municipal Finance Management Act |
| MPRA | - | Municipal Property Rates Act |
| MSIG | - | Municipal Systems Improvement Grant |
| MTREF | - | Medium Term Revenue and Expenditure Framework |
| NERSA | - | National Electricity Regulator of South Africa |
| PMU | - | Project Management Unit |
| PPE | - | Property Plant and Equipment |
| SALGA | - | South African Local Government Association |
| SALGBC | - | South African Local Government Bargaining Council |
| SDBIP | - | Service Delivery and Budget Implementation Plan |

1. MAYORS' REPORT

The purpose of the mayor's report is to provide a high level summary of the budget that draws on the executive summary and highlights key deliverables during the coming years. The report will address certain fundamental issues such as the eradication of backlogs, commencement of new projects and programmes.

The mayor's report will be tabled at the Council's meeting on 28 May 2013, where the Draft Budget and Medium Term revenue and expenditure Framework (MTREF), will be considered by Council.

The mayor's report will provide the following:

- (a) a summary of the medium-term service delivery objectives and the associated medium term financial implications contained in the annual budget;
- (b) a summary of linkages between the annual budget, the Integrated Development Plan and the political priorities at the national, provincial, district and local levels;
- (c) a summary of infrastructure development objectives;
- (d) a summary of material amendments made to the annual budget after the consultation processes; and
- (e) any other information considered relevant by the Mayor.

2. RESOLUTIONS

Recommended

1. That the Council approve the draft Budget and Medium Term Revenue and Expenditure Framework (MTREF) commencing in 2013/2014, as working documents for the 2013/2014 budget process.
2. That in terms of Section 22 of the Local Government: Municipal Finance Management Act No. 56 of 2003, an advertisement be placed to invite the local community to submit representations in connection with the Medium Term Revenue and Expenditure Framework (MTREF).
3. That Councilors ensure that this working document be discussed at the respective ward committee meetings.

3. EXECUTIVE SUMMARY

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality's business and service delivery priorities were received as part of this year's planning and budget process. Where appropriate, funds were transferred from low to high priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

The budget/IDP process occurred according to the budget timetable approved by Council in June 2012. This ensured compliance with the LG: MFMA and subsequent circulars in the preparation and approval of the multi-year budget/IDP.

The Budget and Medium Term Revenue and Expenditure Framework (MTREF) was also prepared taking cognizance of the contents of the Local Government: Municipal Finance Management Act No 56 of 2003, Circular No. 66 and the LG:MFMA Budget Formats Guide received from National Treasury.

The main challenges experienced during the compilation of the 2013/2014 Budget and MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Aging roads and electricity infrastructure;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable – as there will be a point where services will no longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies.
- Affordability of capital projects-original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2013/2014 budget and MTREF process.

The following budget principles and guidelines directly informed the compilation of the 2013/2014 Budget and MTREF:

- The 2012/2013 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2013/2014 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2013/2014 Budget and Medium-term Revenue and Expenditure Framework:

3.1 Consolidated Overview of the 2013/2014 Budget and MTREF

| Details | Adjustments Budget 2012/2013 (R) | Budget Year 2013/2014 (R) | Budget Year 2014/2015 (R) | Budget Year 2015/2016 (R) |
|--------------------------------|----------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Total operating revenue | 201 324 642 | 206 921 280 | 224 913 030 | 245 700 320 |
| Total operating expenditure | 201 267 942 | 206 863 930 | 224 885 380 | 245 648 070 |
| (Surplus)/Deficit for the year | -56 700 | -57 350 | -27 650 | -52 250 |
| Total Capital Expenditure | 49 708 931 | 41 874 000 | 35 510 086 | 47 509 000 |

Total operating revenue has grown by 2.78 per cent or R5 596 638 for the 2013/2014 financial year when compared to the 2012/2013 Adjustments Budget. For the two outer years, operational revenue will increase by 8.7 and 9.24 per cent respectively, equating to a total revenue growth of R44 375 678 over the MTREF when compared to the 2012/2013 financial year.

Total operating expenditure for the 2013/2014 financial year has been appropriated at R206 863 930 and translates into a budgeted surplus of R57 350. When compared to the 2012/2013 Adjustments Budget, operational expenditure has grown by 2.78 per cent in the 2013/2014 budget and by 8.71 and 9.23 per cent for each of the respective outer years of the MTREF.

The capital budget of R41 874 000 for 2013/2014 is 15.76 per cent less when compared to the 2012/2013 Adjustment Budget. The capital budget is mainly funded from Government grants over the MTREF.

3.2 Operating Revenue Framework

For uMlalazi Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 85 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each services;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA)
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policy of the Municipality.

The following table is a summary of the 2013/2014 Budget and MTREF (classified by main revenue source):

3.2.1 Summary of revenue classified by main revenue source

| Description | Current Year 2012/2013 | | | Medium Term | Revenue and Framework | Expenditure |
|----------------------------------------------------------------------|---------------------------|---------------------------|------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | Original Budget (R) | Adjusted Budget (R) | Full Year Forecast (R) | Budget Year 2013/2014 (R) | Budget Year 2014/2015 (R) | Budget Year 2015/2016 (R) |
| Revenue by Source | | | | | | |
| Property rates | 29 921 300 | 30 891 570 | 30 891 570 | 33 019 300 | 34 683 400 | 36 957 800 |
| Property rates-penalties & collection charges | 633 380 | 782 100 | 782 100 | 825 120 | 867 200 | 909 690 |
| Service charges- electricity revenue | 49 366 010 | 49 973 440 | 49 973 440 | 56 636 200 | 63 766 900 | 72 904 100 |
| Service charges- refuse revenue | 8 069 570 | 8 082 520 | 8 082 520 | 9 058 400 | 9 692 400 | 10 370 900 |
| Rental of facilities and equipment | 1 234 910 | 1 207 720 | 1 207 720 | 1 266 650 | 1 332 620 | 1 397 810 |
| Interest earned-external investments | 650 000 | 1 100 000 | 1 100 000 | 1 100 000 | 1 100 000 | 1 100 000 |
| Fines | 4 905 760 | 3 432 520 | 3 432 520 | 3 604 270 | 3 788 150 | 3 973 730 |
| Licences and permits | 3 468 020 | 3 366 180 | 3 366 180 | 3 551 320 | 3 732 430 | 3 915 320 |
| Transfers recognized – operational | 92 955 020 | 99 463 902 | 99 463 902 | 94 900 480 | 102 898 610 | 111 389 000 |
| Other revenue | 3 493 280 | 2 824 690 | 2 824 690 | 2 759 540 | 2 851 320 | 2 581 970 |
| Gains on disposal of PPE | 200 000 | 200 000 | 200 000 | 200 000 | 200 000 | 200 000 |
| Total revenue (excluding capital transfers and contributions) | 194 897 250 | 201 324 642 | 201 324 642 | 206 921 280 | 224 913 030 | 245 700 320 |

In line with the formats prescribed by the Municipal Budget and reporting regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality. Rates and service charge revenues comprise nearly half of the total revenue mix. In the 2012/2013 financial year, revenue from rates and services charges totaled R89 729 630 or 43.36 per cent. This increase to R99 539 020 ,R109 009 900 and R121 142 490 in the respective financial years of the MTREF. A notable trend is the increase in the total percentage revenue generated from rates and services charges which increases from 48.1 per cent in 2013/2014 to 49.3 per cent in 2015/2016. This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity.

Property rates is the third largest revenue source totaling 16.36 per cent or R33 844 420 rand and increases to R37 867 490 by 2015/2016.

Operating grants and transfers is the second largest revenue source totaling R92 955 020 in the 2012/2013 financial year and steadily increases to R111 389 000 by 2015/2016. Note that the year-on-year growth for the 2013/2014 financial year is 2.09 per cent and then increases to 8.43 and 8.25 per cent in the two outer years. The following tables gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

3.2.2 Operating transfers and grant receipts

| Description R thousand | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & | | |
|-------------------------------------------------|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| RECEIPTS: | 1, 2 | | | | | | | | | |
| <u>Operating Transfers and Grants</u> | | | | | | | | | | |
| <u>National Government:</u> | | | | | | | | | | |
| Local Government Equitable Share | | 42 920 | 53 055 | 64 213 | 89 568 | 95 370 | 95 370 | 90 672 | 98 458 | 106 734 |
| Municipal Systems Improvement | | 40 935 | 50 439 | 60 650 | 70 288 | 76 090 | 76 090 | 74 822 | 82 558 | 90 734 |
| Finance Management | | 984 | 750 | 1 340 | 800 | 800 | 800 | 900 | 950 | 950 |
| Integrated National Electrification Programme | | 1 000 | 1 176 | 1 323 | 1 500 | 1 500 | 1 500 | 1 750 | 1 750 | 1 750 |
| EPWP Incentive | | | | | 15 000 | 15 000 | 15 000 | 12 000 | 12 000 | 12 000 |
| Project Management Unit (MIG Projects) | | | | | 1 000 | 1 000 | 1 000 | | | |
| | | | | | 690 | 900 | 980 | 980 | 1 200 | 1 300 |
| <u>Provincial Government:</u> | | | | | | | | | | |
| Health subsidy | | 2 290 | 3 283 | 4 935 | 2 859 | 3 565 | 3 565 | 3 671 | 3 840 | 4 025 |
| Housing | | 2 193 | 3 090 | 2 576 | 637 | 637 | 637 | – | – | – |
| PIPMA DTLGA - IDM | 2 | | | | | 448 | 448 | | | |
| PT: Community Library Services | 27 | | | | 216 | 216 | 216 | 227 | 238 | 249 |
| PT: Provincialisation of Libraries | | | | 1 237 | 1 298 | 1 298 | 1 298 | 2 726 | 2 876 | 3 034 |
| COGTA: Establishment of Pound Grant | | | | 4 | | – | | | | |
| PT: Greenest Municipality | | | | 291 | | 116 | 116 | | | |
| Museum Subsidy | 68 | | 73 | 125 | 134 | 134 | 134 | 143 | 151 | 167 |
| COGTA : Groundnut Activities | | | | 512 | | – | | | | |
| Gratuity Payment: Non-returning councillors | | | – | 120 | 190 | 135 | 135 | | | |
| Library Cyber Cadet KDS GR50 | | | | 0 | | 6 | 6 | | | |
| Information Signs Tourism R66 | | | | | 574 | 574 | 574 | 575 | 575 | 575 |
| Property rates | | | | | | | | | | |
| <u>District Municipality:</u> | | | | | | | | | | |
| Uthungulu District Grant: Salary Claims | | 901 | 1 177 | 626 | 528 | 528 | 528 | 557 | 601 | 630 |
| Uthungulu District Grant: Zulu Dance | | 773 | 852 | 626 | 528 | 528 | 528 | 557 | 601 | 630 |
| Uthungulu District Grant: Capacity Building | | 24 | 20 | | | | | | | |
| Uthungulu District Grant: Information Signs R66 | | 77 | | | | | | | | |
| Capacity Building BDPCB -UDM | | 26 | 281 | | | | | | | |
| | | | 25 | | | | | | | |
| Total Operating Transfers and Grants | 5 | 46 110 | 57 516 | 69 774 | 92 955 | 99 463 | 99 463 | 94 900 | 102 899 | 111 389 |

3.3 Tariffs

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality.

National treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increase of Eskom's bulk tariff is far beyond the mentioned inflation target. Given that this tariff increase is determined by external agencies, the impact it has on the municipality's electricity tariffs are largely outside the control of the municipality. Discounting the impact of this price increase in lower consumer tariffs will erode the future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement, etc. The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by their operational efficiency gains or service level reductions. Within this framework the municipality has undertaken the tariff setting process relating to service charges as follows.

3.3.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No.51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio to residential properties to be 0.25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17 (h) of the MPRA). In addition to this rebate, a further R60 000 reduction on the market value of a property will be granted in terms of the municipality's own Property Rates Policy;
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a rebate will be granted to owners of rate-able property as follows:
40 per cent rebate

- (i) A single person receiving a total income of R5 390 per month or less
- (ii) A married couple receiving a joint monthly income of R6 720 per month or less
20 per cent rebate

- (i) A single person receiving a total income of R5 391 per month or more
- (ii) A married couple receiving a joint monthly income of R6 721 per month or more

In this regard the following stipulations are relevant:

- The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to the debt should be in place; and
 - The property must be categorized as residential.
- The municipality may award a 100 per cent grant in aid on the assessment rates of rate-able properties of certain classes such as churches, registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport.

In considering changes in property rates, cognizance was taken of the local economic conditions such as the gradual recovery in the property market, trends in household incomes and unemployment. Excessive increases in property rates and other tariffs are likely to be counterproductive, resulting in higher levels of non payment and increased bad debts.

The council at its meeting held on 29 May 2012, resolved to grant a 20% discount to ratepayers that makes a single rates payment at the end of September of each year. Council receives between 5 and 6 per cent on investments. It is therefore suggested that the discount for single rates payment be amended to 5 per cent.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2013/2014 financial year based on a 5.7 per cent increase from 1 July 2013 is contained below:

| Category | 2012/2013 c/R | 2013/2014 c/R |
|-------------------------------|------------------|------------------|
| Residential | 1.11 | 1.17 |
| Commercial and Industrial | 1.11 | 1.17 |
| Government | 1.11 | 1.17 |
| Municipal | 1.11 | 1.17 |
| Clubs/Churches | 1.11 | 1.17 |
| Agricultural | 0.2775 | 0.2928 |
| Public service infrastructure | 0.2775 | 0.2928 |

3.3.2 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 16 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2013.

Considering the Eskom increases, the consumer tariff had to be increased by 15.8 per cent to offset the additional bulk purchase cost from 1 July 2013. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

It should further be noted that NERSA has advised that a stepped tariff structure be implemented for residential consumers from 1 July 2012. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the municipality. Most of the reticulation network was designed or strengthened in the early 1980's with an expected 20-25 year life expectancy. The upgrading of the municipality's electricity network has therefore become a strategic priority, especially the substations and transmission lines. Owing to the high increases in Eskom bulk tariffs, it is clearly not possible to fund these necessary upgrades through increase in the municipal electricity tariff-as the resultant tariff increases would be unaffordable for the consumers. As part of the 2013/2014 medium term upgrading programme, funding of R1 038 000 from the Equitable Share Grant has been allocated to electricity infrastructure.

3.3.3 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is subsidized with an allocation from the equitable share grant of R2 626 550. Without this subsidy, the solid waste removal service will operate at a deficit. The main contributors to the high operational cost are cost of remuneration, bin liners, repairs and maintenance on vehicles, increases in fuel and solid waste contracts.

The municipality have implemented and monitor a recycling program in the community, to ensure that this service can be rendered in a sustainable manner over the medium to long term.

The waste removal tariffs are increased by 10 percent.

3.4 Operating Expenditure Framework

The Municipality's expenditure framework for the 2013/2014 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash backed reserves to fund any deficit;
- Funding of the budget over the medium term as informed by Section 18 and 19 of the MFMA;
- The Capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of no project plan no budget. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2013/2014 budget and MTREF (Classified per main type of operating expenditure):

3.4.1 Summary of operating expenditure by standard classification item

| Description | Current Year 2012/2013 | | | Medium Term | Revenue and | Expenditure |
|---------------------------------|---------------------------|------------------------|---------------------------|---------------------------------|---------------------------------|---------------------------------|
| | Original Budget (R) | Adjusted Budget (R) | Full Year Forecast (R) | Budget Year 2013/2014 (R) | Budget Year 2014/2015 (R) | Budget Year 2015/2016 (R) |
| Expenditure by Type | | | | | | |
| Employee related costs | 58 777 340 | 56 878 040 | 56 878 040 | 63 114 640 | 68 920 290 | 74 437 180 |
| Remuneration of councillors | 12 774 190 | 12 768 870 | 12 768 870 | 13 615 480 | 14 521 340 | 15 490 620 |
| Depreciation & asset impairment | 8 804 370 | 8 101 150 | 8 101 150 | 8 546 700 | 8 982 580 | 9 422 730 |
| Finance charges | 816 620 | 711 940 | 711 940 | 698 090 | 656 900 | 689 090 |
| Bulk purchases | 33 922 010 | 35 709 650 | 35 709 650 | 41 373 070 | 47 992 760 | 55 671 600 |
| Contracted services | 18 162 310 | 19 385 480 | 19 385 480 | 19 072 550 | 20 913 080 | 23 322 960 |
| Transfers and grants | 2 718 320 | 2 718 320 | 2 718 320 | 3 110 050 | 3 318 540 | 3 553 670 |
| Other expenditure | 58 877 740 | 64 994 492 | 6 499 442 | 57 333 350 | 59 579 890 | 63 060 220 |
| Loss on disposal of PPE | | | | | | |
| Total Expenditure | 194 852 900 | 201 267 942 | 201 267 942 | 206 863 930 | 224 885 380 | 245 648 070 |

- The budget allocation for employee related costs for the 2013/2014 financial year totals R63 114 640 which equals 30,51 per cent of the total operating expenditure. Provision has been made for a 7% increase in salaries for 2013/2014 and the two outer years of the MTREF. Provision has been made for the following positions:

| Position | Total cost to Council |
|--------------------------|-----------------------|
| Deputy Municipal Manager | R 991 490 |
| Secretary: Deputy Mayor | R 146 620 |
| Secretary: Speaker | R 146 620 |
| Secretary: Chief Whip | R 146 620 |
| Total | R1 431 350 |

- The cost associated with the remuneration of councilors is determined by the Minister of Co-Operative Governance and Traditional Affairs, in accordance with the remuneration of Public Bearers Act (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's budget. An increase of 7% is budgeted for the increase for Councillor allowances.
- Provision for depreciation and asset impairments has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R8 546 700 for the 2013/2014 financial and equates to 4.13 per cent of the total operating expenditure.
- Finance charges consist primarily of the repayment of interest on long term borrowing (cost of capital). Finance charges make up 0.34 per cent (R698 090) of operating expenditure excluding annual redemption for 2013/2014 and decreases to R689 090 by 2015/2016.
- Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditure include distribution losses.
- Contracted services has been identified as a cost saving area for the municipality. As part of the compilation of the 2013/2014 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2013/2014 financial year, this group of expenditure totals R19 072 550 and has escalated by 9,22 per cent. For the two outer years growth has been limited to 9,65 and 11,52 per cent.
- Provision is made for the following contracted services:

| | 2012/2013 | 2013/2014 | 2014/2015 | 2015/2016 |
|------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Animal pound facility | 600 000 | 620 000 | 620 000 | 620 000 |
| Archive storage | 34 500 | 36 400 | 38 260 | 40 130 |
| Bank collections | 176 880 | 210 800 | 221 320 | 232 160 |
| Cleaning | 756 090 | 734 960 | 768 500 | 806 160 |
| Computer maintenance | 930 340 | 972 410 | 1 022 000 | 1 072 080 |
| Grass cutting | 1 358 710 | 1 425 400 | 1 495 420 | 1 568 700 |
| Insurance | 608 190 | 638 920 | 671 530 | 704 440 |
| Internal audit | 936 000 | 936 000 | 936 000 | 936 000 |
| Mailing of monthly statements | 180 420 | 194 780 | 205 300 | 215 360 |
| Medical waste | 8 540 | 0 | 0 | 0 |
| Pauper burials | 5 000 | 5 280 | 5 550 | 5 820 |
| Pre paid electricity vending management system | 170 400 | 179 770 | 189 480 | 198 760 |
| Pre paid electricity vending: commission | 196 290 | 207 090 | 218 270 | 228 970 |
| Post employment report | 25 500 | 26 900 | 28 270 | 29 660 |
| Radio repeater site | 6 000 | 6 330 | 6 650 | 6 980 |
| Refuse removal contracts | 4 863 910 | 5 004 530 | 5 455 800 | 5 723 130 |
| Rental of land | 291 610 | 78 130 | 82 110 | 86 130 |
| Rental of office equipment | 489 760 | 516 680 | 543 020 | 569 620 |
| Re-valuation of properties | 0 | 0 | 800 000 | 2 300 000 |
| Security | 4 745 060 | 4 881 720 | 5 125 880 | 5 377 630 |
| Town planning | 354 400 | 52 800 | 55 650 | 58 380 |
| Traffic violation system | 1 967 160 | 1 688 630 | 1 745 980 | 1 831 530 |
| Valuation costs | 336 000 | 300 000 | 300 000 | 314 700 |
| Weigh bridge | 344 720 | 355 020 | 378 090 | 396 620 |
| TOTAL | 19 385 480 | 19 072 550 | 20 913 080 | 23 322 960 |

- Security expenditure is made up as follows:

| | |
|-------------------|-----------|
| Office bearers | 2 650 120 |
| Mayor | 516 210 |
| Deputy Mayor | 404 080 |
| Speaker | 458 600 |
| Chief Whip | 354 750 |
| Councilors (x3) | 916 480 |
| Council buildings | 1 673 280 |
| Sportsfield | 558 320 |
| | 4 881 720 |

- Provision is made for the following transfers and grants:

| | 2012/2013 (R) | 2013/2014 (R) | 2014/2015 (R) | 2015/2016 (R) |
|----------------------------|------------------|------------------|------------------|------------------|
| Zululand Historical Museum | 101 000 | 110 000 | 119 000 | 128 000 |
| SPCA | 110 000 | 115 000 | 120 000 | 125 000 |
| Social Welfare | 70 000 | 120 000 | 125 000 | 130 000 |
| Tourism | 180 000 | 185 000 | 190 000 | 195 000 |
| Free Refuse | 1 207 000 | 1 363 000 | 1 458 000 | 1 561 000 |
| Free Electricity | 1 050 000 | 1 217 000 | 1 306 000 | 1 415 000 |
| TOTAL | 2 718 000 | 3 110 000 | 3 318 000 | 3 554 000 |

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

- Other expenditure comprises of the following:

| | 2012/2013 (R) | 2013/2014 (R) | 2014/2015 (R) | 2015/2016 (R) |
|--------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Provision for bad debts | 1 292 460 | 1 363 550 | 1 433 100 | 1 503 320 |
| Repairs and maintenance | 10 298 880 | 6 250 300 | 6 545 410 | 7 598 000 |
| Post retirement medical benefits & long service awards | 1 115 370 | 1 176 720 | 1 236 730 | 1 297 330 |
| General expenses | 50 974 142 | 47 156 890 | 48 908 080 | 51 133 630 |
| Contribution to staff leave | 1 313 640 | 1 385 890 | 1 456 570 | 1 527 940 |
| TOTAL | 64 994 492 | 57 333 350 | 59 579 890 | 63 060 220 |

Provision is made for the following repairs and maintenance:

| | 2012/2013 (R) | 2013/2014 (R) | 2014/2015 (R) | 2015/2016 (R) |
|------------------------------------|------------------|------------------|------------------|------------------|
| Air-conditioning | 20 000 | 21 100 | 22 180 | 23 270 |
| Buildings | 404 800 | 433 520 | 448 640 | 470 640 |
| Electricity mains | 865 840 | 913 460 | 960 640 | 1 007 090 |
| Electricity sub stations | 27 520 | 29 030 | 30 510 | 32 000 |
| Fire extinguishers | 20 000 | 21 100 | 22 180 | 23 270 |
| Fuel and oil | 1 828 950 | 1 929 530 | 2 027 950 | 2 127 310 |
| Furniture, plant and equipment | 130 980 | 138 180 | 145 240 | 152 360 |
| Equitable share grants expenditure | 4 795 000 | 450 000 | 450 000 | 1 204 640 |
| Grounds | 82 720 | 118 920 | 124 980 | 131 110 |
| Information signs | 4 000 | 4 220 | 4 440 | 4 660 |
| Office equipment | 51 670 | 54 510 | 57 290 | 60 090 |
| Roads & Streets | 659 120 | 965 370 | 730 830 | 766 640 |
| Small plant and equipment | 120 500 | 129 820 | 136 440 | 143 130 |
| Speed testing equipment | 20 920 | 15 000 | 15 000 | 15 000 |

| | | | | |
|---------------|-------------------|------------------|------------------|------------------|
| Street lights | 228 330 | 240 890 | 253 180 | 265 590 |
| Traffic signs | 29 090 | 30 690 | 32 260 | 33 840 |
| Transport | 959 230 | 1 011 980 | 1 063 600 | 115 710 |
| Other | 50 210 | 12 980 | 20 640 | 21 650 |
| TOTAL | 10 298 880 | 6 250 300 | 6 545 410 | 7 598 000 |

Provision is made for the following general expenses:

| | 2012/2013 (R) | 2013/2014 (R) | 2014/2015 (R) | 2015/2016 (R) |
|-------------------------------------------------|------------------|------------------|------------------|------------------|
| Advertising | 487 160 | 513 950 | 540 160 | 566 630 |
| Audit fees (Auditor General) | 1 465 750 | 1 597 930 | 1 742 460 | 1 827 840 |
| Bank charges | 402 700 | 424 850 | 446 520 | 468 400 |
| Bargaining Council levies | 20 840 | 21 990 | 23 110 | 24 240 |
| Bursaries | 70 000 | 70 000 | 70 000 | 70 000 |
| Chemicals | 31 240 | 32 950 | 34 630 | 36 330 |
| Civic expenses | 187 020 | 197 310 | 207 370 | 217 530 |
| Cleaning material | 80 730 | 83 410 | 87 650 | 91 940 |
| Conference and delegations | 30 530 | 32 210 | 33 850 | 35 510 |
| Community library services and expenditure | 216 000 | 227 000 | 238 000 | 0 |
| Council's communications | 190 000 | 200 450 | 211 270 | 221 620 |
| Entertainment expenses | 121 240 | 135 810 | 142 750 | 149 710 |
| Eskom: Other accounts | 476 700 | 552 980 | 641 460 | 744 090 |
| Expanded public works programme | 1 000 000 | 0 | 0 | 0 |
| Finance management grant expenditure | 1 500 000 | 1 750 000 | 1 750 000 | 1 750 000 |
| Equitable share grant expenditure | 19 300 753 | 19 158 450 | 20 094 370 | 20 715 410 |
| Greenest Municipality grant Expenditure | 116 620 | 0 | 0 | 0 |
| Human settlements grant expenditure | 448 204 | 0 | 0 | 0 |
| Information signs: tourism R66 | 6 440 | 0 | 0 | 0 |
| Integrated rural electricity programme | 15 000 000 | 1 200 000 | 1 200 000 | 1 200 000 |
| Legal expenses | 995 000 | 995 000 | 1 000 000 | 1 000 000 |
| Library books | 20 000 | 21 110 | 22 190 | 23 280 |
| Library Cyber cadet grant | 135 175 | 0 | 0 | 0 |
| Licence fees | 47 380 | 49 990 | 52 540 | 55 110 |
| Loose tools | 25 440 | 26 840 | 28 220 | 29 610 |
| Medical supplies | 50 810 | 0 | 0 | 0 |
| Membership fees (SALGA) | 470 220 | 613 840 | 667 530 | 719 420 |
| Municipal systems improvement grant expenditure | 800 000 | 900 000 | 950 000 | 950 000 |
| Periodicals and publications | 22 700 | 23 950 | 25 170 | 26 400 |
| Postage | 85 200 | 89 890 | 94 470 | 99 100 |
| Printing and stationery | 451 500 | 470 200 | 494 170 | 518 400 |
| Project Management Unit Costs (MIG projects) | 980 000 | 1 200 000 | 1 200 000 | 1 300 000 |
| Property Rates | 0 | 0 | 0 | 575 000 |
| Publicity | 53 020 | 55 930 | 58 790 | 61 670 |
| Refuse bin liners | 602 590 | 635 730 | 668 150 | 700 890 |
| Removal of slums | 50 000 | 50 000 | 0 | 0 |
| Rental of buildings | 29 040 | 29 040 | 30 610 | 32 110 |
| Road marking | 82 680 | 87 230 | 91 680 | 96 170 |
| SABS:3% charge | 44 650 | 47 110 | 49 510 | 51 940 |
| Staff relocation costs | 20 000 | 20 000 | 20 000 | 20 000 |
| Subsistence & travel: Staff | 711 650 | 750 790 | 791 330 | 830 110 |
| Subsistence & travel: Councillors | 237 010 | 250 040 | 263 350 | 276 260 |
| Telephones costs | 952 300 | 1 004 680 | 1 055 920 | 1 107 660 |
| Training | 503 250 | 503 440 | 508 870 | 464 300 |
| Ward committees | 929 000 | 780 000 | 940 000 | 1 560 000 |
| Water & sanitation costs | 1 080 350 | 1 085 170 | 1 140 510 | 1 196 390 |

| | | | | |
|------------------|-------------------|-------------------|-------------------|-------------------|
| Weed eradication | 331 530 | 349 760 | 367 600 | 385 610 |
| Others | 11 720 | 117 860 | 123 870 | 129 950 |
| TOTAL | 50 974 142 | 47 156 890 | 48 908 080 | 51 133 630 |

3.5 Capital Budget

The following guidelines were applied in order to valuate and prioritize the capital projects:

- In line with the Council's revised IDP
- Carry over of previously approved projects
- Existing Council's resolutions, statutory requirements and services related benefits.
- Provision was made for the basic capital projects to be funded from the equitable share if actual cash is available.
- The basic capital budget is growth 52.58 per cent.

The components of the capital budget are follows:

| Description | Amount (R) |
|----------------------------------------------|-------------------|
| Capital for departments | 11 059 000 |
| Municipal Infrastructure Grant Projects | 27 315 000 |
| Small business development: Eshowe taxi rank | 3 500 000 |
| TOTAL | 41 874 000 |

The Capital Budget is funded as follows:

| Description | Amount (R) |
|--------------------------------|-------------------|
| Equitable share grant | 11 059 000 |
| Municipal Infrastructure Grant | 27 315 000 |
| Own funds | 3 500 000 |
| TOTAL | 41 874 000 |

The capital for departments to be funded from the Council's Equitable Share Grant are the following:

| Description | Amount (R) |
|-------------------------------|-------------------|
| Furniture & Equipment | 1 148 440 |
| Vehicles | 3 690 000 |
| Cemeteries | 400 000 |
| Swimming Pools | 150 000 |
| Buildings | 915 000 |
| Roads, Sidewalks & Stormwater | 3 612 560 |
| Electricity | 1 143 000 |
| TOTAL | 11 059 000 |

The Municipal Infrastructure Grant Projects are the following:

| Description | | Amount (R) |
|--------------------------------------------------------|---------|-------------------|
| <i>Community Halls</i> | | |
| Sqwanjana community hall | Ward 13 | 1 000 000 |
| <i>Sports fields</i> | | |
| Kwayabu sportsfield | Ward 15 | 1 500 000 |
| Kwabulawayo Sportsfield | Ward 24 | 500 000 |
| <i>Roads/Causeways</i> | | |
| Esifubeni Road | Ward 10 | 2 500 000 |
| Kangela Road Eshowe | Ward 11 | 3 500 000 |
| KDS/Sunnydale Link Road | Ward 12 | 1 595 100 |
| Rehabilitation of Osborn Road | Ward 11 | 2 654 990 |
| Naickerville/Sandlwana High School intersection (D134) | Ward 18 | 1 151 400 |
| Nogobhoza Road | Ward 15 | 2 502 120 |
| Ntenjane Causeway and Road | Ward 13 | 2 000 000 |
| Gciza Road | Ward 17 | 1 584 120 |
| KDS bus route road rehabilitation | Ward 12 | 1 500 000 |
| Retention | | 1 100 000 |
| <i>Other</i> | | |
| New Testing Station | Ward 11 | 700 000 |
| Rehabilitation of Eshowe Landfill Site | Ward 11 | 3 527 270 |
| Total | | 27 315 000 |

The capital budget will be spent on the following categories of assets:

| Description | Amount (R) | % |
|----------------------------------|-------------------|-------------|
| Infrastructure : Roads | 23 700 290 | 57 |
| Electricity | 1 143 000 | 3 |
| Other | 7 027 270 | 17 |
| Investment properties | 0 | 0 |
| Community assets | 5 115 000 | 12 |
| Other assets | 4 888 440 | 12 |
| Total capital expenditure | 41 874 000 | 100% |

3.6 Financial position of Council

The accumulated surplus of the Council was R1 491 173 as at 30 June 2012. Unfortunately this amount is not cash backed. The surplus for the 2012/2013 and next three years is projected as follows:

| | |
|------------|----------|
| 2012/2013- | R 56 700 |
| 2013/2014- | R 57 350 |
| 2014/2015- | R 27 650 |
| 2015/2016- | R 52 250 |

3.7 Alignment with National Priorities

3.7.1 In preparing the draft budget, government's 12 outcomes were taken into account.

These outcomes are:

- Improve the quality of basic education
- Improve health and life expectancy
- All people in South Africa protected and feel safe
- Decent employment through inclusive economic growth
- A skilled and capable workforce to support inclusive growth

- An efficient, competitive and responsive economic infrastructure network
- Vibrant, equitable and sustainable rural communities and food security
- Sustainable human settlements and improved quality of household life
- A response and, accountable, effective and efficient local government system.
- Protection and enhancement of environmental assets and natural resources
- A better South Africa, a better and safer Africa and world
- A development orientated public service and inclusive citizenship

These objectives are directly relevant to the municipality. The challenge for the municipality is do more within its existing resource envelope.

3.8 The Municipality's role in employment creation

“ Employment is central to human dignity, sustainable economic development and social cohesion. Creating jobs and increasing employment is South Africa’s most critical objective.

While there are many policy options to consider, emphasis should be placed on removing the structural impediments to faster job growth. This means aligning real wage growth with productivity, speeding up regulatory reform to ensure that young and less skilled workers can access the job market, and ensuring that further education and training programmes provide the real world skills needed by public and private sector employers. Public employment to support service delivery, and public works projects that draw in lower skilled workers, will continue to play an important role. The issue of youth unemployment is imperative and needs to be confronted directly.”

Chapter 12 of the Local Government Budget and Expenditure review 2008 analysed the extent to which municipalities were supporting job creation. It is noted that:

“ Many activities performed by municipalities lend themselves to providing job opportunities for low and unskilled labour. As indicated, municipalities face critical choices in this regard, whether to adopt capital intensive approaches or labour intensive approaches... Anecdotal information suggests that generally municipalities are inclined to adopt capital intensive approaches. The mechanization of grass cutting, street sweeping, ditch digging, road maintenance and a host of other activities points in this direction. Of course there is balance between job creation, efficiency and cost. This needs to be managed and in each instance the appropriate technology for the task needs to be decided upon, with a bias towards labour intensive approaches. The challenge is to mainstream the labour intensive approaches that are being used in the EPWP projects into the normal way municipalities go about their business of delivering services.”

The Council will explore how it can contribute to job creation when revising the IDP and preparing the 2013/2014 budget. However, the Council will not just employ more people without any reference to the level of staffing required to deliver effective services, and what is financially sustainable over the medium term. The Council will focus on maximizing its contribution to job creation by:

- Ensuring that service delivery and capital projects use labour intensive methods wherever appropriate
- Ensuring that service providers use labour intensive approaches.
- Supporting labour intensive LED projects;
- Participating fully in the Extended Public Works Programmes; and
- Implementing interns programmes to provide young people with on the job training.

With reference to employment creation, provision is made for the following:

- Contractors that are appointed for Municipal Infrastructure Grant (MIG) projects, are encouraged to make use of local labour;
- R2 485 840 from the equitable share is allocated for LED projects;
- R3 708 320 from the equitable share is allocated for work creation projects;
- The Municipality has received a R1 000 000 grant to participate in the Extended Public Works Programme, and
- The Council has appointed five financial interns.

3.9 Key amendments to budget –related policies

3.9.1 Rates Policy

3.9.1.1 Pensioners, physically and mentally disabled persons:

- For pensioners, physically and mentally disabled persons, a rebate will be granted to owners of rate-able property as follows:

40 per cent rebate

- (i) A single person receiving a total income of R5 390 per month or less
- (ii) A married couple receiving a joint monthly income of R6 720 per month or less

20 per cent rebate

- (i) A single person receiving a total income of R5 391 per month or more
- (II) A married couple receiving a joint monthly income of R6 721 per month or more

4. Annual Draft Budget Tables

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KZN284 uMlalazi - Table A1 Budget Summary

| Description R thousands | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & 2014/15 | | |
|----------------------------------------------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---------------------------------------|------------------------|------------------------|
| | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Financial Performance | | | | | | | | | | |
| Property rates | 32 047 | 41 545 | 29 413 | 30 554 | 31 674 | 31 674 | 31 674 | 33 844 | 35 551 | 37 507 |
| Service charges | 38 025 | 44 019 | 52 027 | 57 436 | 58 056 | 58 056 | 58 056 | 65 695 | 73 459 | 83 275 |
| Investment revenue | 393 | 635 | 1 139 | 650 | 1 100 | 1 100 | 1 100 | 1 100 | 1 100 | 1 100 |
| Transfers recognised - operational | 46 110 | 57 516 | 69 774 | 92 955 | 99 464 | 99 464 | 99 464 | 94 900 | 102 899 | 111 389 |
| Other own revenue | 10 792 | 11 720 | 12 381 | 13 302 | 11 032 | 11 032 | 11 032 | 11 382 | 11 905 | 12 429 |
| Total Revenue (excluding capital transfers and contributions) | 127 368 | 155 434 | 164 734 | 194 897 | 201 326 | 201 326 | 201 326 | 206 921 | 224 913 | 245 700 |
| Employee costs | 44 285 | 49 867 | 51 875 | 58 777 | 56 878 | 56 878 | 56 878 | 63 115 | 68 920 | 74 437 |
| Remuneration of councillors | 10 565 | 10 954 | 12 059 | 12 774 | 12 769 | 12 769 | 12 769 | 13 615 | 14 521 | 15 491 |
| Depreciation & asset impairment | 7 265 | 7 037 | 7 548 | 8 804 | 8 101 | 8 101 | 8 101 | 8 547 | 8 983 | 9 423 |
| Finance charges | 149 | 643 | 770 | 817 | 712 | 712 | 712 | 698 | 657 | 689 |
| Materials and bulk purchases | 17 812 | 25 780 | 31 537 | 33 922 | 35 710 | 35 710 | 35 710 | 41 373 | 47 993 | 55 672 |
| Transfers and grants | 335 | 2 074 | 2 572 | 2 718 | 2 718 | 2 718 | 2 718 | 3 110 | 3 319 | 3 554 |
| Other expenditure | 51 670 | 63 727 | 56 881 | 77 041 | 84 381 | 84 381 | 84 381 | 76 406 | 80 493 | 86 383 |
| Total Expenditure | 132 081 | 160 081 | 163 243 | 194 853 | 201 269 | 201 269 | 201 269 | 206 864 | 224 885 | 245 648 |
| Surplus/(Deficit) | (4 713) | (4 647) | 1 491 | 44 | 57 | 57 | 57 | 57 | 28 | 52 |
| Transfers recognised - capital | - | - | - | - | - | - | - | - | - | - |
| Contributions recognised - capital & contributed assets | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | (4 713) | (4 647) | 1 491 | 44 | 57 | 57 | 57 | 57 | 28 | 52 |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) for the year | (4 713) | (4 647) | 1 491 | 44 | 57 | 57 | 57 | 57 | 28 | 52 |
| Capital expenditure & funds sources | | | | | | | | | | |
| Capital expenditure | 46 546 | 23 409 | 25 458 | 51 414 | 49 709 | 49 709 | 49 709 | 41 874 | 35 510 | 47 509 |
| Transfers recognised - capital | 41 056 | 23 409 | 24 094 | 47 594 | 40 611 | 40 611 | 40 611 | 38 374 | 35 510 | 47 509 |
| Public contributions & donations | - | - | - | - | - | - | - | - | - | - |
| Borrowing | 5 490 | - | 1 364 | - | - | - | - | - | - | - |
| Internally generated funds | - | - | - | 3 820 | 9 098 | 9 098 | 9 098 | 3 500 | - | - |
| Total sources of capital funds | 46 546 | 23 409 | 25 458 | 51 414 | 49 709 | 49 709 | 49 709 | 41 874 | 35 510 | 47 509 |
| Financial position | | | | | | | | | | |
| Total current assets | 41 562 | 48 492 | 61 303 | 39 263 | 45 976 | 45 976 | 45 976 | 44 900 | 44 440 | 43 495 |
| Total non current assets | 249 136 | 416 922 | 449 577 | 417 096 | 454 332 | 454 332 | 454 332 | 458 625 | 495 531 | 518 793 |
| Total current liabilities | 32 563 | 33 916 | 33 084 | 22 088 | 19 865 | 19 865 | 19 865 | 19 622 | 20 212 | 20 837 |
| Total non current liabilities | 18 421 | 24 523 | 24 763 | 26 153 | 23 306 | 23 306 | 23 306 | 21 600 | 24 318 | 24 893 |
| Community wealth/Equity | 239 714 | 432 043 | 453 033 | 408 118 | 457 137 | 457 137 | 457 137 | 462 303 | 495 441 | 516 558 |
| Cash flows | | | | | | | | | | |
| Net cash from (used) operating | 48 934 | 19 485 | 25 761 | 50 874 | 35 170 | 35 170 | 35 170 | 32 331 | 29 698 | 34 102 |
| Net cash from (used) investing | (46 295) | (21 312) | (22 148) | (51 217) | (39 608) | (39 608) | (39 608) | (30 871) | (29 987) | (35 363) |
| Net cash from (used) financing | 3 178 | 2 449 | (223) | (183) | (113) | (113) | (113) | (183) | (153) | (169) |
| Cash/cash equivalents at the year end | 3 510 | 4 132 | 7 522 | 1 480 | 2 971 | 2 971 | 2 971 | 4 248 | 3 806 | 2 376 |
| Cash backing/surplus reconciliation | | | | | | | | | | |
| Cash and investments available | 18 951 | 21 158 | 37 548 | 14 682 | 19 146 | 19 146 | 19 146 | 19 189 | 19 743 | 19 535 |
| Application of cash and investments | 22 528 | 24 498 | 30 227 | 12 387 | 13 316 | 13 316 | 13 316 | 12 941 | 15 037 | 18 443 |
| Balance - surplus (shortfall) | (3 577) | (3 340) | 7 321 | 2 295 | 5 830 | 5 830 | 5 830 | 6 248 | 4 706 | 1 092 |
| Asset management | | | | | | | | | | |
| Asset register summary (WDV) | 248 177 | 415 464 | 448 147 | 415 625 | 452 861 | 452 861 | 452 861 | 457 151 | 494 054 | 517 385 |
| Depreciation & asset impairment | 7 265 | 7 037 | 7 548 | 8 804 | 8 101 | 8 101 | 8 101 | 8 547 | 8 983 | 9 423 |
| Renewal of Existing Assets | 1 863 | 1 357 | 1 907 | 10 314 | 17 204 | 17 204 | 17 204 | 15 416 | 4 025 | 6 355 |
| Repairs and Maintenance | 5 097 | 5 505 | 10 013 | 8 548 | 10 299 | 10 299 | 10 299 | 6 250 | 6 545 | 7 598 |
| Free services | | | | | | | | | | |
| Cost of Free Basic Services provided | - | 12 836 | - | 134 | 134 | 134 | 134 | 149 | 149 | 165 |
| Revenue cost of free services provided | | | - | 13 572 | 13 572 | 13 572 | 13 572 | 12 694 | 13 394 | 14 127 |
| Households below minimum service level | | | | | | | | | | |
| Energy: | 0 | 1 | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Refuse: | - | - | - | - | - | - | - | - | - | - |

KZN284 uMlalazi - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

| Standard Classification Description | Ref | 2009/10 | | | 2010/11 | | | 2011/12 | | | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Forecast | | |
|--------------------------------------------|-----|------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|---------------------|------------------------|------------------------|--|----------------------------------------|--|---------|
| | | R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 | | | | |
| Revenue - Standard | | | | | | | | | | | | | | | | |
| <i>Governance and administration</i> | | 62 460 | | 82 417 | | 79 050 | | 87 160 | | 90 576 | | 94 277 | | 103 105 | | 114 518 |
| Executive and council | | 60 254 | | 80 147 | | 76 776 | | 84 720 | | 87 828 | | 91 210 | | 99 971 | | 111 316 |
| Budget and treasury office | | 2 072 | | 2 193 | | 2 059 | | 2 191 | | 2 359 | | 2 359 | | 2 656 | | 2 702 |
| Corporate services | | 134 | | 77 | | 215 | | 249 | | 389 | | 389 | | 411 | | 453 |
| <i>Community and public safety</i> | | 17 192 | | 15 954 | | 16 564 | | 14 698 | | 15 110 | | 15 110 | | 13 708 | | 14 232 |
| Community and social services | | 1 282 | | 1 478 | | 2 969 | | 2 622 | | 3 558 | | 3 558 | | 3 827 | | 4 002 |
| Sport and recreation | | 1 964 | | 2 372 | | 4 067 | | 2 586 | | 2 534 | | 2 534 | | 2 864 | | 2 951 |
| Public safety | | 4 312 | | 4 230 | | 3 168 | | 5 970 | | 4 678 | | 4 678 | | 4 903 | | 5 038 |
| Housing | | 4 251 | | 1 252 | | 136 | | 1 154 | | 1 575 | | 1 575 | | 134 | | 140 |
| Health | | 5 383 | | 6 622 | | 6 224 | | 2 365 | | 2 765 | | 2 765 | | 1 980 | | 2 101 |
| <i>Economic and environmental services</i> | | 6 760 | | 8 331 | | 10 783 | | 12 435 | | 14 290 | | 14 290 | | 9 656 | | 10 347 |
| Planning and development | | 658 | | 808 | | 1 370 | | 2 269 | | 2 386 | | 2 386 | | 1 505 | | 1 520 |
| Road transport | | 6 102 | | 7 523 | | 9 413 | | 10 166 | | 11 905 | | 11 905 | | 8 151 | | 8 827 |
| Environmental protection | | — | | — | | — | | — | | — | | — | | — | | — |
| <i>Trading services</i> | | 40 955 | | 48 732 | | 58 337 | | 80 605 | | 81 349 | | 81 349 | | 89 280 | | 97 229 |
| Electricity | | 33 782 | | 39 422 | | 48 582 | | 70 021 | | 70 877 | | 70 877 | | 76 111 | | 83 355 |
| Waste water management | | 2 | | 2 | | 3 | | 1 | | 1 | | 1 | | 1 | | 1 |
| Waste management | | 7 171 | | 9 308 | | 9 752 | | 10 583 | | 10 471 | | 10 471 | | 13 168 | | 13 873 |
| <i>Other</i> | 4 | — | | — | | — | | — | | — | | — | | — | | — |
| Total Revenue - Standard | 2 | 127 368 | | 155 434 | | 164 734 | | 194 897 | | 201 326 | | 201 326 | | 206 921 | | 224 913 |
| | | | | | | | | | | | | | | | | 245 700 |
| Expenditure - Standard | | | | | | | | | | | | | | | | |
| <i>Governance and administration</i> | | 49 960 | | 61 509 | | 50 196 | | 59 182 | | 59 115 | | 59 115 | | 64 440 | | 69 390 |
| Executive and council | | 40 042 | | 50 472 | | 38 445 | | 43 752 | | 44 304 | | 44 304 | | 47 621 | | 51 367 |
| Budget and treasury office | | 6 304 | | 7 101 | | 7 565 | | 10 652 | | 10 175 | | 10 175 | | 11 291 | | 12 057 |
| Corporate services | | 3 614 | | 3 936 | | 4 186 | | 4 779 | | 4 636 | | 4 636 | | 5 528 | | 5 965 |
| <i>Community and public safety</i> | | 31 982 | | 34 450 | | 38 025 | | 39 103 | | 40 580 | | 40 580 | | 38 848 | | 41 737 |
| Community and social services | | 3 905 | | 4 354 | | 5 194 | | 5 188 | | 6 421 | | 6 421 | | 5 325 | | 5 694 |
| Sport and recreation | | 6 498 | | 8 221 | | 9 168 | | 9 358 | | 9 336 | | 9 336 | | 10 292 | | 10 943 |
| Public safety | | 10 714 | | 13 027 | | 16 321 | | 17 405 | | 18 586 | | 18 586 | | 19 026 | | 20 344 |
| Housing | | 4 241 | | 1 200 | | 208 | | 1 131 | | 1 578 | | 1 578 | | 135 | | 142 |
| Health | | 6 624 | | 7 649 | | 7 134 | | 6 020 | | 4 659 | | 4 659 | | 4 070 | | 4 614 |
| <i>Economic and environmental services</i> | | 10 261 | | 12 583 | | 15 692 | | 18 374 | | 20 261 | | 20 261 | | 15 922 | | 17 297 |
| Planning and development | | 1 795 | | 2 021 | | 2 549 | | 3 898 | | 4 015 | | 4 015 | | 3 320 | | 3 451 |
| Road transport | | 8 466 | | 10 563 | | 13 143 | | 14 476 | | 16 246 | | 16 246 | | 12 603 | | 13 846 |
| Environmental protection | | — | | — | | — | | — | | — | | — | | — | | — |
| <i>Trading services</i> | | 39 584 | | 51 199 | | 58 875 | | 77 706 | | 80 820 | | 80 820 | | 87 129 | | 95 903 |
| Electricity | | 29 098 | | 39 300 | | 45 912 | | 63 889 | | 65 953 | | 65 953 | | 71 183 | | 78 730 |
| Waste water management | | 383 | | 334 | | 351 | | 444 | | 692 | | 692 | | 720 | | 770 |
| Waste management | | 10 102 | | 11 565 | | 12 612 | | 13 373 | | 14 175 | | 14 175 | | 15 227 | | 16 403 |
| <i>Other</i> | 4 | 293 | | 340 | | 455 | | 488 | | 493 | | 493 | | 524 | | 559 |
| Total Expenditure - Standard | 3 | 132 080 | | 160 082 | | 163 243 | | 194 853 | | 201 269 | | 201 269 | | 206 864 | | 224 885 |
| | | (4 713) | | (4 647) | | 1 491 | | 44 | | 57 | | 57 | | 57 | | 52 |
| | | | | | | | | | | | | | | | | |

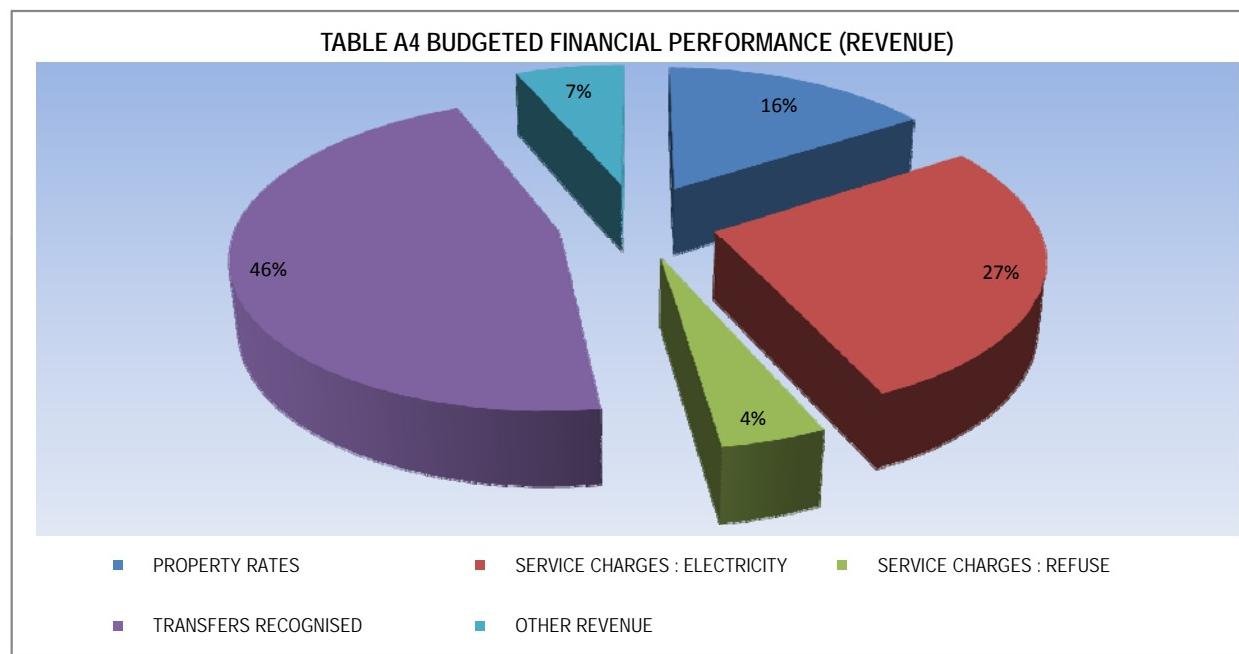
KZN284 uMlalazi - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

| Vote Description R thousand | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure | | |
|-----------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Revenue by Vote | | | | | | | | | | |
| Vote 1 - EXECUTIVE AND COUNCIL | 1 | 60 254 | 80 147 | 76 775 | 84 720 | 87 827 | 87 827 | 91 210 | 99 971 | 111 316 |
| Vote 2 - BUDGET AND TREASURY OFFICE | | 2 072 | 2 193 | 2 059 | 2 191 | 2 359 | 2 359 | 2 656 | 2 702 | 2 749 |
| Vote 3 - CORPORATE SERVICES | | 1 161 | 1 183 | 1 482 | 1 053 | 1 992 | 1 992 | 970 | 996 | 1 677 |
| Vote 4 - PLANNING AND DEVELOPMENT | | 658 | 808 | 1 370 | 2 269 | 2 386 | 2 386 | 1 505 | 1 520 | 1 636 |
| Vote 5 - HEALTH | | 5 383 | 6 622 | 6 224 | 2 365 | 2 765 | 2 765 | 1 980 | 2 101 | 2 830 |
| Vote 6 - COMMUNITY AND SOCIAL SERVICES | | 255 | 372 | 1 702 | 1 819 | 1 955 | 1 955 | 3 268 | 3 438 | 3 623 |
| Vote 7 - HOUSING | | 4 251 | 1 252 | 136 | 1 154 | 1 575 | 1 575 | 134 | 140 | 147 |
| Vote 8 - PUBLIC SAFETY | | 4 312 | 4 230 | 3 168 | 5 970 | 4 678 | 4 678 | 4 903 | 5 038 | 5 583 |
| Vote 9 - SPORTS AND RECREATION | | 1 964 | 2 372 | 4 066 | 2 586 | 2 534 | 2 534 | 2 864 | 2 951 | 3 836 |
| Vote 10 - WASTE MANAGEMENT | | 7 173 | 9 310 | 9 755 | 10 584 | 10 472 | 10 472 | 13 169 | 13 874 | 14 684 |
| Vote 11 - ROAD TRANSPORT | | 6 102 | 7 523 | 9 413 | 10 166 | 11 905 | 11 905 | 8 151 | 8 827 | 9 505 |
| Vote 12 - ELECTRICITY | | 33 782 | 39 422 | 48 582 | 70 020 | 70 877 | 70 877 | 76 111 | 83 355 | 88 113 |
| Vote 13 - AIR TRANSPORT | | - | - | - | - | - | - | - | - | - |
| Vote 14 - WORKSHOP | | - | - | - | - | - | - | - | - | - |
| Total Revenue by Vote | 2 | 127 368 | 155 434 | 164 732 | 194 897 | 201 325 | 201 325 | 206 921 | 224 913 | 245 700 |
| Expenditure by Vote to be appropriated | | | | | | | | | | |
| Vote 1 - EXECUTIVE AND COUNCIL | 1 | 40 042 | 50 472 | 38 445 | 43 752 | 44 303 | 44 303 | 47 621 | 51 367 | 59 046 |
| Vote 2 - BUDGET AND TREASURY OFFICE | | 6 304 | 7 101 | 7 565 | 10 652 | 10 175 | 10 175 | 11 291 | 12 057 | 12 789 |
| Vote 3 - CORPORATE SERVICES | | 5 551 | 6 111 | 6 815 | 7 053 | 7 836 | 7 836 | 7 584 | 8 139 | 9 360 |
| Vote 4 - PLANNING AND DEVELOPMENT | | 1 795 | 2 021 | 2 549 | 3 898 | 4 015 | 4 015 | 3 320 | 3 451 | 3 690 |
| Vote 5 - HEALTH | | 6 624 | 7 649 | 7 134 | 6 020 | 4 659 | 4 659 | 4 070 | 4 614 | 5 560 |
| Vote 6 - COMMUNITY AND SOCIAL SERVICES | | 1 968 | 2 178 | 2 565 | 2 914 | 3 221 | 3 221 | 3 269 | 3 520 | 3 786 |
| Vote 7 - HOUSING | | 4 241 | 1 200 | 207 | 1 131 | 1 578 | 1 578 | 135 | 142 | 149 |
| Vote 8 - PUBLIC SAFETY | | 10 714 | 13 027 | 16 321 | 17 405 | 18 586 | 18 586 | 19 026 | 20 344 | 22 110 |
| Vote 9 - SPORTS AND RECREATION | | 6 498 | 8 221 | 9 167 | 9 358 | 9 336 | 9 336 | 10 292 | 10 943 | 12 399 |
| Vote 10 - WASTE MANAGEMENT | | 10 486 | 11 899 | 12 963 | 13 817 | 14 867 | 14 867 | 15 946 | 17 173 | 18 290 |
| Vote 11 - ROAD TRANSPORT | | 8 466 | 10 563 | 13 143 | 14 476 | 16 246 | 16 246 | 12 603 | 13 846 | 15 081 |
| Vote 12 - ELECTRICITY | | 29 098 | 39 300 | 45 912 | 63 889 | 65 953 | 65 953 | 71 183 | 78 730 | 82 791 |
| Vote 13 - AIR TRANSPORT | | 9 | 9 | 9 | 12 | 12 | 12 | 12 | 13 | 14 |
| Vote 14 - WORKSHOP | | 284 | 332 | 446 | 477 | 481 | 481 | 512 | 546 | 583 |
| Total Expenditure by Vote | 2 | 132 080 | 160 082 | 163 241 | 194 853 | 201 268 | 201 268 | 206 864 | 224 885 | 245 648 |
| Surplus/(Deficit) for the year | 2 | (4 713) | (4 647) | 1 491 | 44 | 57 | 57 | 57 | 28 | 52 |

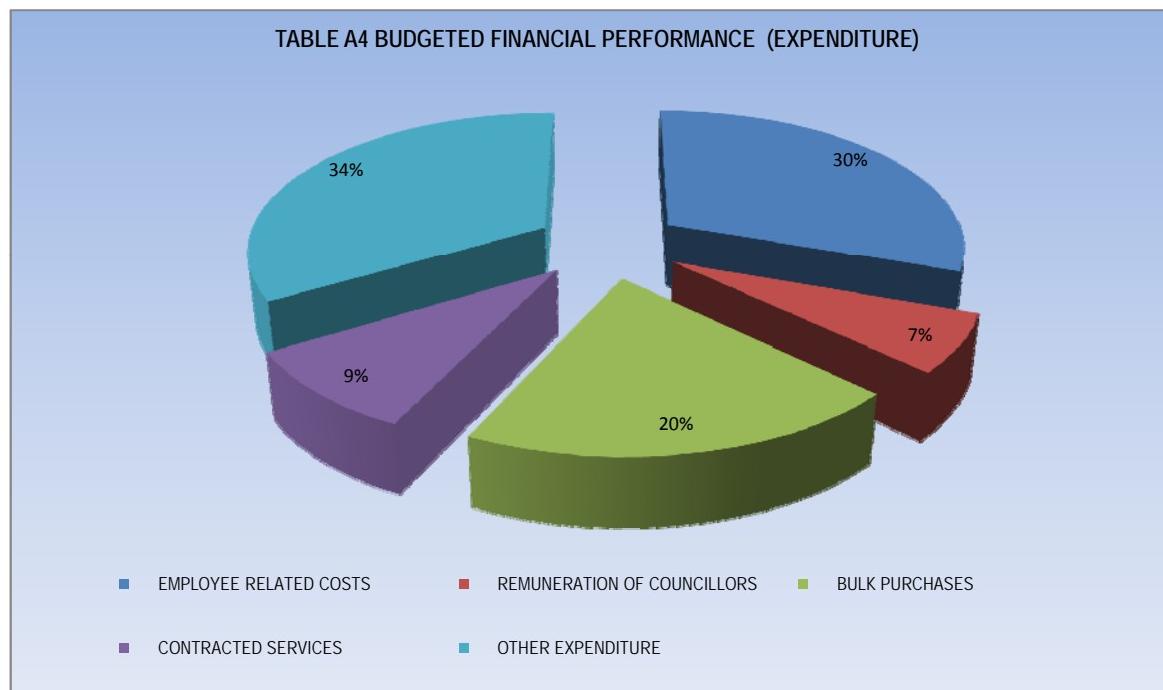
KZN284 uMlalazi - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description R thousand | Ref 1 | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure | | |
|----------------------------------------------------------------------|----------|--------------------|--------------------|--------------------|----------------------|-----------------|-----------------------|----------------------|-------------------------------------------|---------------------------|---------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Revenue By Source | | | | | | | | | | | |
| Property rates | 2 | 31 005 | 40 566 | 28 733 | 29 921 | 30 892 | 30 892 | 30 892 | 33 019 | 34 683 | 36 598 |
| Property rates - penalties & collection charges | | 1 042 | 979 | 680 | 633 | 782 | 782 | 782 | 825 | 867 | 910 |
| Service charges - electricity revenue | 2 | 32 722 | 37 885 | 44 730 | 49 366 | 49 973 | 49 973 | 49 973 | 56 636 | 63 767 | 72 904 |
| Service charges - refuse revenue | 2 | 5 303 | 6 134 | 7 297 | 8 070 | 8 083 | 8 083 | 8 083 | 9 058 | 9 692 | 10 371 |
| Rental of facilities and equipment | | 1 447 | 1 358 | 1 516 | 1 235 | 1 208 | 1 208 | 1 208 | 1 267 | 1 333 | 1 398 |
| Interest earned - external investments | | 393 | 635 | 1 139 | 650 | 1 100 | 1 100 | 1 100 | 1 100 | 1 100 | 1 100 |
| Fines | | 3 709 | 3 375 | 2 623 | 4 906 | 3 433 | 3 433 | 3 433 | 3 604 | 3 788 | 3 974 |
| Licences and permits | | 2 320 | 3 140 | 3 318 | 3 468 | 3 366 | 3 366 | 3 366 | 3 551 | 3 732 | 3 915 |
| Transfers recognised - operational | 46 110 | 57 516 | 69 774 | 92 955 | 99 464 | 99 464 | 99 464 | 99 464 | 94 900 | 102 899 | 111 389 |
| Other revenue | 2 | 3 263 | 3 175 | 2 463 | 3 493 | 2 825 | 2 825 | 2 825 | 2 760 | 2 851 | 2 942 |
| Gains on disposal of PPE | | 53 | 671 | 2 461 | 200 | 200 | 200 | 200 | 200 | 200 | 200 |
| Total Revenue (excluding capital transfers and contributions) | | 127 368 | 155 434 | 164 734 | 194 897 | 201 326 | 201 326 | 201 326 | 206 921 | 224 913 | 245 700 |
| Expenditure By Type | | | | | | | | | | | |
| Employee related costs | 2 | 44 285 | 49 867 | 51 875 | 58 777 | 56 878 | 56 878 | 56 878 | 63 115 | 68 920 | 74 437 |
| Remuneration of councillors | | 10 565 | 10 954 | 12 059 | 12 774 | 12 769 | 12 769 | 12 769 | 13 615 | 14 521 | 15 491 |
| Debt impairment | 3 | | 1 226 | 1 846 | 1 292 | 1 292 | 1 292 | 1 292 | 1 364 | 1 433 | 1 503 |
| Depreciation & asset impairment | 2 | 7 265 | 7 037 | 7 548 | 8 804 | 8 101 | 8 101 | 8 101 | 8 547 | 8 983 | 9 423 |
| Finance charges | | 149 | 643 | 770 | 817 | 712 | 712 | 712 | 698 | 657 | 689 |
| Bulk purchases | 2 | 17 812 | 25 780 | 31 537 | 33 922 | 35 710 | 35 710 | 35 710 | 41 373 | 47 993 | 55 672 |
| Contracted services | | 11 175 | 12 891 | 17 921 | 18 162 | 19 385 | 19 385 | 19 385 | 19 073 | 20 913 | 23 323 |
| Transfers and grants | | 335 | 2 074 | 2 572 | 2 718 | 2 718 | 2 718 | 2 718 | 3 110 | 3 319 | 3 554 |
| Other expenditure | 4, 5 | 40 487 | 49 610 | 37 114 | 57 586 | 63 704 | 63 704 | 63 704 | 55 970 | 58 147 | 61 557 |
| Loss on disposal of PPE | | 8 | - | - | - | - | - | - | - | - | - |
| Total Expenditure | | 132 081 | 160 081 | 163 243 | 194 853 | 201 269 | 201 269 | 201 269 | 206 864 | 224 885 | 245 648 |
| Surplus/(Deficit) | | (4 713) | (4 647) | 1 491 | 44 | 57 | 57 | 57 | 57 | 28 | 52 |
| Transfers recognised - capital | | | | | | | | | | | |
| Contributed assets | | | | | | | | | | | |
| Surplus/(Deficit) after capital transfers & contributions | | (4 713) | (4 647) | 1 491 | 44 | 57 | 57 | 57 | 57 | 28 | 52 |
| Taxation | | | | | | | | | | | |
| Surplus/(Deficit) after taxation | | (4 713) | (4 647) | 1 491 | 44 | 57 | 57 | 57 | 57 | 28 | 52 |
| Attributable to minorities | | | | | | | | | | | |
| Surplus/(Deficit) attributable to municipality | | (4 713) | (4 647) | 1 491 | 44 | 57 | 57 | 57 | 57 | 28 | 52 |
| Surplus/(Deficit) for the year | | (4 713) | (4 647) | 1 491 | 44 | 57 | 57 | 57 | 57 | 28 | 52 |

| TABLE A4 BUDGETED FINANCIAL PERFORMANCE (REVENUE) | |
|---------------------------------------------------|-----------------------------|
| 2013/2014 MTREF | |
| DESCRIPTION | BUDGET YEAR 2013/2014 R'000 |
| REVENUE BY SOURCE | |
| PROPERTY RATES | 33019 |
| SERVICE CHARGES : ELECTRICITY | 56636 |
| SERVICE CHARGES : REFUSE | 9058 |
| TRANSFERS RECOGNISED | 94900 |
| OTHER REVENUE | 13308 |
| TOTAL REVENUE | 206921 |



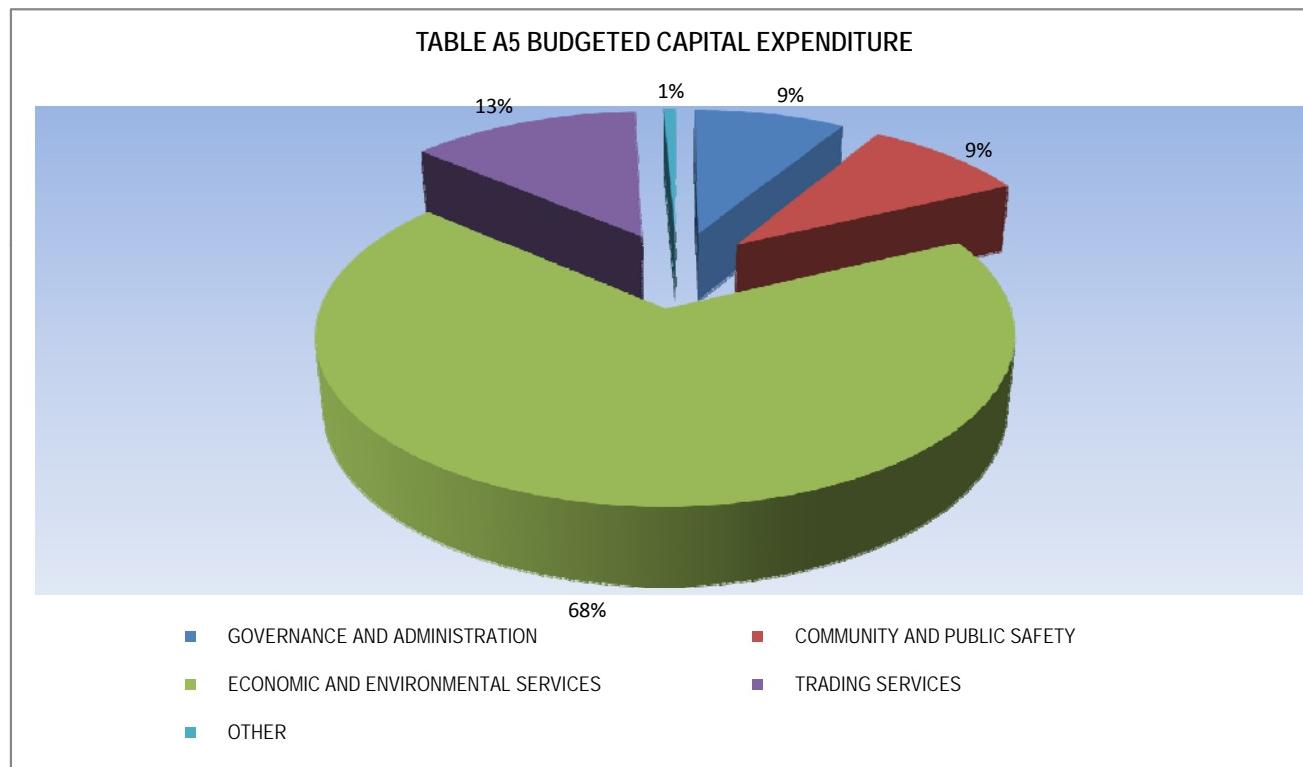
| TABLE A4 BUDGETED FINANCIAL PERFORMANCE (EXPENDITURE) | |
|-------------------------------------------------------|-----------------------------|
| 2013/2014 MTREF | |
| DESCRIPTION | BUDGET YEAR 2013/2014 R'000 |
| EXPENDITURE BY TYPE | |
| EMPLOYEE RELATED COSTS | 63115 |
| REMUNERATION OF COUNCILLORS | 13615 |
| BULK PURCHASES | 41373 |
| CONTRACTED SERVICES | 19073 |
| OTHER EXPENDITURE | 69688 |
| TOTAL EXPENDITURE | 206864 |



KZN284 uMlalazi - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

| Vote Description R thousand | Ref 1 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure | | | | | |
|--------------------------------------------------|----------|----------------------|-----------------|-----------------|-----------------|-------------------------------------------|--------------------|-------------------|---------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Capital expenditure - Vote | | | | | | | | | | | |
| Multi-year expenditure to be appropriated | | | | | | | | | | | |
| Vote 1 - EXECUTIVE AND COUNCIL | 2 | 278 | 2 072 | 837 | 324 | 823 | 823 | 823 | 1 005 | 37 | 45 |
| Vote 2 - BUDGET AND TREASURY OFFICE | | 116 | 228 | 626 | 279 | 271 | 271 | 271 | 293 | 242 | 325 |
| Vote 3 - CORPORATE SERVICES | | 308 | 1 087 | 805 | 5 060 | 5 464 | 5 464 | 5 464 | 2 330 | 1 070 | 14 025 |
| Vote 4 - PLANNING AND DEVELOPMENT | | 52 | 28 | 58 | - | 10 | 10 | 10 | 80 | - | - |
| Vote 5 - HEALTH | | 23 | 126 | 51 | 20 | 20 | 20 | 20 | 15 | 5 | 10 |
| Vote 6 - COMMUNITY AND SOCIAL SERVICES | | 2 404 | 2 834 | 1 226 | 1 616 | 2 160 | 2 160 | 2 160 | 420 | 1 272 | 6 320 |
| Vote 7 - HOUSING | | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - PUBLIC SAFETY | | 2 002 | 664 | 497 | 540 | 1 802 | 1 802 | 1 802 | 820 | 865 | 507 |
| Vote 9 - SPORTS AND RECREATION | | 3 337 | 2 237 | 2 001 | 14 210 | 3 410 | 3 410 | 3 410 | 2 640 | 3 517 | 2 260 |
| Vote 10 - WASTE MANAGEMENT | | 8 843 | 4 257 | 358 | 7 535 | 6 599 | 6 599 | 6 599 | 4 062 | 200 | 770 |
| Vote 11 - ROAD TRANSPORT | | 26 781 | 8 289 | 18 423 | 20 991 | 28 309 | 28 309 | 28 309 | 28 510 | 26 010 | 21 020 |
| Vote 12 - ELECTRICITY | | 2 374 | 1 548 | 547 | 800 | 795 | 795 | 795 | 1 438 | 2 293 | 2 227 |
| Vote 13 - AIR TRANSPORT | | 30 | 37 | 29 | - | - | - | - | - | - | - |
| Vote 14 - WORKSHOP | | - | - | - | 40 | 45 | 45 | 45 | 260 | - | - |
| Capital multi-year expenditure sub-total | 7 | 46 546 | 23 409 | 25 458 | 51 414 | 49 709 | 49 709 | 49 709 | 41 874 | 35 510 | 47 509 |
| Total Capital Expenditure - Vote | | 46 546 | 23 409 | 25 458 | 51 414 | 49 709 | 49 709 | 49 709 | 41 874 | 35 510 | 47 509 |
| Capital Expenditure - Standard | | | | | | | | | | | |
| Governance and administration | | | | | | | | | | | |
| Executive and council | | 702 | 3 388 | 2 268 | 5 663 | 6 558 | 6 558 | 6 558 | 3 628 | 1 349 | 14 395 |
| Budget and treasury office | | 278 | 2 072 | 837 | 324 | 823 | 823 | 823 | 1 005 | 37 | 45 |
| Corporate services | | 116 | 228 | 626 | 279 | 271 | 271 | 271 | 293 | 242 | 325 |
| Community and public safety | | 7 766 | 5 862 | 3 775 | 16 386 | 7 393 | 7 393 | 7 393 | 3 895 | 5 658 | 9 097 |
| Community and social services | | 2 404 | 2 834 | 1 226 | 1 616 | 2 160 | 2 160 | 2 160 | 420 | 1 272 | 6 320 |
| Sport and recreation | | 3 337 | 2 237 | 2 001 | 14 210 | 3 410 | 3 410 | 3 410 | 2 640 | 3 517 | 2 260 |
| Public safety | | 2 002 | 664 | 497 | 540 | 1 802 | 1 802 | 1 802 | 820 | 865 | 507 |
| Housing | | - | - | - | - | - | - | - | - | - | - |
| Health | | 23 | 126 | 51 | 20 | 20 | 20 | 20 | 15 | 5 | 10 |
| Economic and environmental services | | 26 832 | 8 316 | 18 481 | 20 991 | 28 319 | 28 319 | 28 319 | 28 590 | 26 010 | 21 020 |
| Planning and development | | 52 | 28 | 58 | - | 10 | 10 | 10 | 80 | - | - |
| Road transport | | 26 781 | 8 289 | 18 423 | 20 991 | 28 309 | 28 309 | 28 309 | 28 510 | 26 010 | 21 020 |
| Trading services | | 11 217 | 5 805 | 905 | 8 335 | 7 394 | 7 394 | 7 394 | 5 500 | 2 493 | 2 997 |
| Electricity | | 2 374 | 1 548 | 547 | 800 | 795 | 795 | 795 | 1 438 | 2 293 | 2 227 |
| Waste management | | 8 843 | 4 257 | 358 | 7 535 | 6 599 | 6 599 | 6 599 | 4 062 | 200 | 770 |
| Other | | 30 | 37 | 29 | 40 | 45 | 45 | 45 | 260 | - | - |
| Total Capital Expenditure - Standard | 3 | 46 546 | 23 409 | 25 458 | 51 414 | 49 709 | 49 709 | 49 709 | 41 874 | 35 510 | 47 509 |
| Funded by: | | | | | | | | | | | |
| National Government | | 41 010 | 23 409 | 24 094 | 47 594 | 39 544 | 39 544 | 39 544 | 38 374 | 35 510 | 47 509 |
| Provincial Government | | 47 | | | | 1 068 | 1 068 | 1 068 | | | |
| District Municipality | | | | | | - | - | - | | | |
| Other transfers and grants | | | | | | - | - | - | | | |
| Transfers recognised - capital | 4 | 41 056 | 23 409 | 24 094 | 47 594 | 40 611 | 40 611 | 40 611 | 38 374 | 35 510 | 47 509 |
| Public contributions & donations | 5 | | | | | - | - | - | | | |
| Borrowing | 6 | 5 490 | | 1 364 | | - | - | - | | | |
| Internally generated funds | | | | | | - | - | - | | | |
| Total Capital Funding | 7 | 46 546 | 23 409 | 25 458 | 51 414 | 49 709 | 49 709 | 49 709 | 41 874 | 35 510 | 47 509 |

| TABLE A5 BUDGETED CAPITAL EXPENDITURE BY STANDARD CLASSIFICATION | |
|------------------------------------------------------------------|-----------------------------|
| 2013/2014 MTREF | |
| DESCRIPTION | BUDGET YEAR 2013/2014 R'000 |
| GOVERNANCE AND ADMINISTRATION | 3 628 |
| COMMUNITY AND PUBLIC SAFETY | 3 895 |
| ECONOMIC AND ENVIRONMENTAL SERVICES | 28 591 |
| TRADING SERVICES | 5 500 |
| OTHER | 260 |
| TOTAL EXPENDITURE | 41 874 |



KZN284 uMlalazi - Table A6 Budgeted Financial Position

| Description R thousand | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure | | |
|------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-------------------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| ASSETS | | | | | | | | | | | |
| Current assets | | | | | | | | | | | |
| Cash | | 3 510 | 4 132 | 7 522 | 1 479 | 2 971 | 2 971 | 2 971 | 4 248 | 3 806 | 2 376 |
| Call investment deposits | 1 | 15 440 | 17 025 | 30 025 | 13 202 | 16 174 | 16 174 | 16 174 | 14 940 | 15 936 | 17 158 |
| Consumer debtors | 1 | 19 790 | 21 972 | 20 058 | 20 077 | 22 030 | 22 030 | 22 030 | 20 708 | 20 020 | 19 898 |
| Other debtors | | 794 | 3 424 | 1 732 | 2 635 | 2 770 | 2 770 | 2 770 | 2 962 | 2 635 | 2 244 |
| Current portion of long-term receivables | | 19 | 22 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 15 |
| Inventory | 2 | 2 009 | 1 917 | 1 945 | 1 850 | 2 011 | 2 011 | 2 011 | 2 022 | 2 023 | 1 804 |
| Total current assets | | 41 562 | 48 492 | 61 303 | 39 263 | 45 976 | 45 976 | 45 976 | 44 900 | 44 440 | 43 495 |
| Non current assets | | | | | | | | | | | |
| Long-term receivables | | 958 | 1 457 | 1 429 | 1 470 | 1 470 | 1 470 | 1 470 | 1 473 | 1 476 | 1 407 |
| Investments | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Investment property | | 6 735 | 8 601 | 9 401 | 15 421 | 10 201 | 10 201 | 10 201 | 11 701 | 13 201 | 14 001 |
| Property, plant and equipment | 3 | 241 419 | 406 814 | 438 700 | 400 199 | 442 604 | 442 604 | 442 604 | 445 384 | 480 777 | 503 298 |
| Intangible | | 23 | 49 | 46 | 5 | 56 | 56 | 56 | 66 | 76 | 86 |
| Total non current assets | | 249 136 | 416 922 | 449 577 | 417 096 | 454 332 | 454 332 | 454 332 | 458 625 | 495 531 | 518 793 |
| TOTAL ASSETS | | 290 698 | 465 414 | 510 880 | 456 359 | 500 308 | 500 308 | 500 308 | 503 525 | 539 971 | 562 288 |
| LIABILITIES | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | |
| Bank overdraft | 1 | | | – | – | – | – | – | – | – | – |
| Borrowing | 4 | 170 | 343 | 343 | 343 | 343 | 343 | 343 | 343 | 343 | 343 |
| Consumer deposits | | 776 | 979 | 1 099 | 1 329 | 1 329 | 1 329 | 1 329 | 1 489 | 1 679 | 1 853 |
| Trade and other payables | 4 | 29 132 | 29 267 | 15 651 | 15 760 | 13 860 | 13 860 | 13 860 | 12 703 | 12 296 | 12 066 |
| Provisions | | 2 485 | 3 327 | 15 991 | 4 656 | 4 333 | 4 333 | 4 333 | 5 087 | 5 894 | 6 575 |
| Total current liabilities | | 32 563 | 33 916 | 33 084 | 22 088 | 19 865 | 19 865 | 19 865 | 19 622 | 20 212 | 20 837 |
| Non current liabilities | | | | | | | | | | | |
| Borrowing | | 3 755 | 5 828 | 5 485 | 5 142 | 5 142 | 5 142 | 5 142 | 4 799 | 4 456 | 4 113 |
| Provisions | | 14 666 | 18 695 | 19 278 | 21 011 | 18 164 | 18 164 | 18 164 | 16 801 | 19 862 | 20 780 |
| Total non current liabilities | | 18 421 | 24 523 | 24 763 | 26 153 | 23 306 | 23 306 | 23 306 | 21 600 | 24 318 | 24 893 |
| TOTAL LIABILITIES | | 50 984 | 58 439 | 57 847 | 48 241 | 43 171 | 43 171 | 43 171 | 41 222 | 44 530 | 45 730 |
| NET ASSETS | 5 | 239 714 | 406 975 | 453 033 | 408 118 | 457 137 | 457 137 | 457 137 | 462 303 | 495 441 | 516 558 |
| COMMUNITY WEALTH/EQUITY | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) | | 154 593 | 169 200 | 198 591 | 256 456 | 234 814 | 234 814 | 234 814 | 270 713 | 315 870 | 346 990 |
| Reserves | 4 | 85 121 | 262 843 | 254 442 | 151 662 | 222 323 | 222 323 | 222 323 | 191 590 | 179 571 | 169 568 |
| TOTAL COMMUNITY WEALTH/EQUITY | 5 | 239 714 | 432 043 | 453 033 | 408 118 | 457 137 | 457 137 | 457 137 | 462 303 | 495 441 | 516 558 |

KZN284 uMlalazi - Table A7 Budgeted Cash Flows

| Description R thousand | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Expenditure | | |
|---------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-------------------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Ratepayers and other | | 85 536 | 89 715 | 82 747 | 97 750 | 95 873 | 95 873 | 95 873 | 109 721 | 117 497 | 121 107 |
| Government - operating | 1 | 46 110 | 57 516 | 69 774 | 92 955 | 99 464 | 99 464 | 99 464 | 95 350 | 102 899 | 111 389 |
| Government - capital | 1 | 34 364 | 21 843 | 22 269 | 51 414 | 35 844 | 35 844 | 35 844 | 27 315 | 24 353 | 36 000 |
| Interest | | 896 | 1 074 | 1 667 | 650 | 1 100 | 1 100 | 1 100 | 1 100 | 1 100 | 1 100 |
| Dividends | | | | | | | | | | | |
| Payments | | | | | | | | | | | |
| Suppliers and employees | | (117 488) | (149 621) | (147 354) | (188 360) | (193 681) | (193 681) | (193 681) | (197 347) | (212 175) | (231 251) |
| Finance charges | | (149) | (643) | (770) | (817) | (712) | (712) | (712) | (698) | (657) | (689) |
| Transfers and Grants | 1 | (335) | (399) | (2 572) | (2 718) | (2 718) | (2 718) | (2 718) | (3 110) | (3 319) | (3 554) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 48 934 | 19 485 | 25 761 | 50 874 | 35 170 | 35 170 | 35 170 | 32 331 | 29 698 | 34 102 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds on disposal of PPE | | 228 | 730 | 2 512 | 200 | 200 | 200 | 200 | 200 | 200 | 200 |
| Decrease (Increase) in non-current debtors | | 23 | (499) | (2) | (3) | (41) | (41) | (41) | (3) | (3) | 69 |
| Decrease (Increase) other non-current receivables | | | | | | | | | | | |
| Decrease (Increase) in non-current investments | | | | | | | | | | | |
| Payments | | | | | | | | | | | |
| Capital assets | | (46 546) | (21 543) | (24 658) | (51 414) | (39 767) | (39 767) | (39 767) | (31 068) | (30 184) | (35 632) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (46 295) | (21 312) | (22 148) | (51 217) | (39 608) | (39 608) | (39 608) | (30 871) | (29 987) | (35 363) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Short term loans | | | | | | | | | | | |
| Borrowing long term/refinancing | | 3 209 | 2 575 | | | | | | | | |
| Increase (decrease) in consumer deposits | | 48 | 203 | 120 | 160 | 230 | 230 | 230 | 160 | 190 | 174 |
| Payments | | | | | | | | | | | |
| Repayment of borrowing | | (79) | (329) | (343) | (343) | (343) | (343) | (343) | (343) | (343) | (343) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | 3 178 | 2 449 | (223) | (183) | (113) | (113) | (113) | (183) | (153) | (169) |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 5 817 | 622 | 3 390 | (526) | (4 551) | (4 551) | (4 551) | 1 277 | (442) | (1 430) |
| Cash/cash equivalents at the year begin: | 2 | (2 307) | 3 510 | 4 132 | 2 006 | 7 522 | 7 522 | 7 522 | 2 971 | 4 248 | 3 806 |
| Cash/cash equivalents at the year end: | 2 | 3 510 | 4 132 | 7 522 | 1 480 | 2 971 | 2 971 | 2 971 | 4 248 | 3 806 | 2 376 |

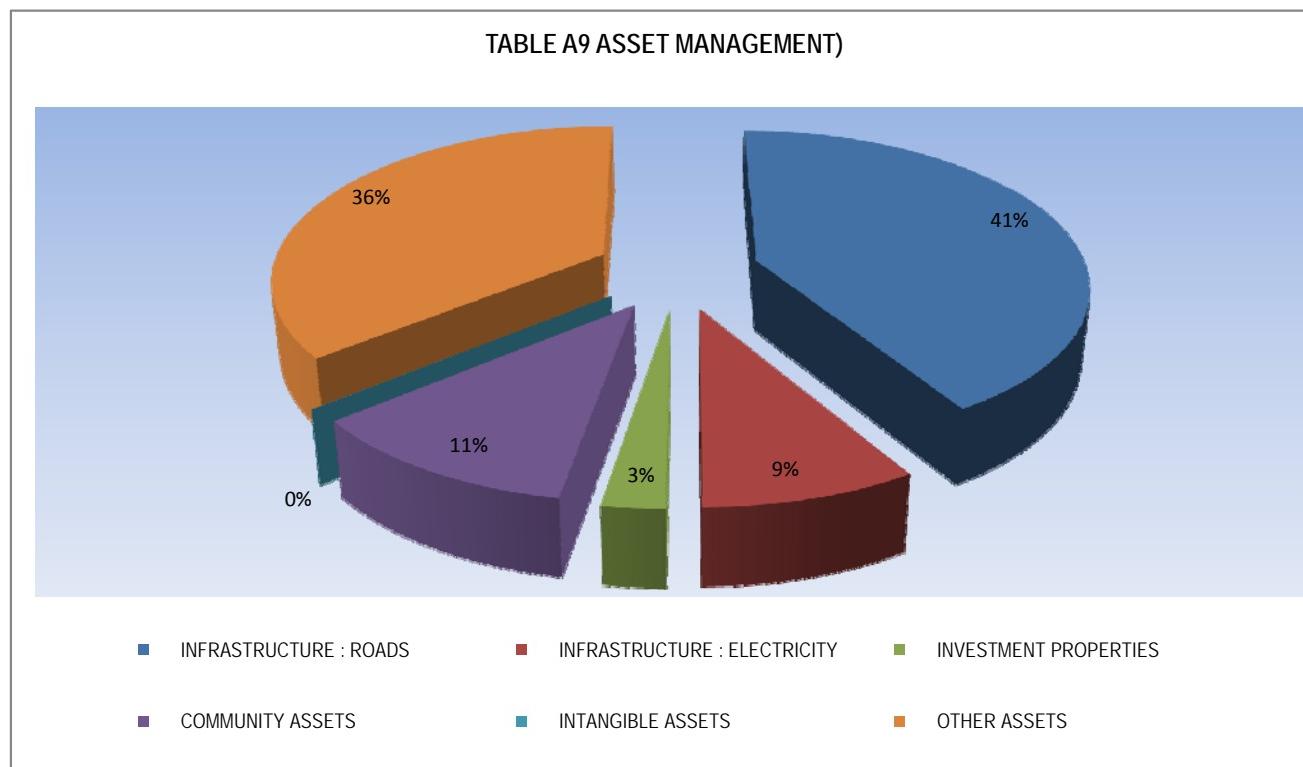
KZN284 uMlalazi - Table A8 Cash backed reserves/accumulated surplus reconciliation

| Description R thousand | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | Medium Term Revenue & Expenditure | | |
|---------------------------------------------------|-----|--------------------|--------------------|--------------------|----------------------|--------------------|-----------------------|----------------------|-----------------------------------|---------------------------|---------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Cash and investments available | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 3 510 | 4 132 | 7 522 | 1 480 | 2 971 | 2 971 | 2 971 | 4 248 | 3 806 | 2 376 |
| Other current investments > 90 days | | 15 440 | 17 025 | 30 025 | 13 201 | 16 174 | 16 174 | 16 174 | 14 940 | 15 936 | 17 158 |
| Non current assets - Investments | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Cash and investments available: | | 18 951 | 21 158 | 37 548 | 14 682 | 19 146 | 19 146 | 19 146 | 19 189 | 19 743 | 19 535 |
| Application of cash and investments | | | | | | | | | | | |
| Unspent conditional transfers | | 14 111 | 16 032 | 5 927 | 5 611 | 4 149 | 4 149 | 4 149 | 4 564 | 4 792 | 4 552 |
| Unspent borrowing | | 3 755 | 5 828 | 5 485 | 5 142 | 5 485 | 5 485 | 5 485 | 4 799 | 4 456 | 4 113 |
| Statutory requirements | 2 | 386 | 1 547 | 513 | 900 | 1 300 | 1 300 | 1 300 | 1 100 | 1 000 | 750 |
| Other working capital requirements | 3 | (8 166) | (13 248) | (11 818) | (14 534) | (16 634) | (16 634) | (16 634) | (17 877) | (16 984) | (14 677) |
| Other provisions | | 603 | 820 | 15 992 | 830 | 4 333 | 4 333 | 4 333 | 5 087 | 5 894 | 6 575 |
| Long term investments committed | 4 | – | – | – | – | – | – | – | – | – | – |
| Reserves to be backed by cash/investments | 5 | 11 839 | 13 519 | 14 128 | 14 438 | 14 683 | 14 683 | 14 683 | 15 268 | 15 879 | 17 130 |
| Total Application of cash and investments: | | 22 528 | 24 498 | 30 227 | 12 387 | 13 316 | 13 316 | 13 316 | 12 941 | 15 037 | 18 443 |
| Surplus(shortfall) | | (3 577) | (3 340) | 7 321 | 2 295 | 5 830 | 5 830 | 5 830 | 6 248 | 4 706 | 1 092 |

KZN284 uMlalazi - Table A9 Asset Management

| R thousand | Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure | | |
|-------------------------------------------------------|-------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------------------------------|------------------------|------------------------|
| | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| CAPITAL EXPENDITURE | | | | | | | | | | | |
| Total New Assets | | 1 | 44 682 | 22 052 | 23 552 | 41 101 | 32 504 | 32 504 | 26 458 | 31 485 | 41 154 |
| Infrastructure - Road transport | | | 24 905 | 6 417 | 17 067 | 9 125 | 9 379 | 9 379 | 12 581 | 23 825 | 16 600 |
| Infrastructure - Electricity | | | 1 831 | 1 463 | 347 | 620 | 615 | 615 | 1 038 | 1 745 | 1 534 |
| Infrastructure - Other | | | 8 334 | 4 593 | 813 | 10 875 | 9 989 | 9 989 | 7 727 | - | - |
| Infrastructure | | | 35 071 | 12 473 | 18 226 | 20 679 | 19 983 | 19 983 | 21 346 | 25 570 | 18 134 |
| Community | | | 6 120 | 5 362 | 3 086 | 17 011 | 8 284 | 8 284 | 3 400 | 4 028 | 20 500 |
| Investment properties | | | - | 1 866 | 800 | 2 100 | 2 100 | 2 100 | - | - | - |
| Other assets | | 6 | 3 491 | 2 351 | 1 439 | 1 370 | 2 138 | 2 138 | 1 712 | 1 887 | 2 520 |
| Intangibles | | | - | - | - | - | - | - | - | - | - |
| Total Renewal of Existing Assets | | 2 | 1 863 | 1 357 | 1 907 | 10 314 | 17 204 | 17 204 | 15 416 | 4 025 | 6 355 |
| Infrastructure - Road transport | | | 1 388 | 866 | 1 060 | 7 626 | 14 703 | 14 703 | 11 120 | 1 165 | 3 300 |
| Infrastructure - Electricity | | | 112 | 85 | 140 | 100 | 100 | 100 | 140 | 120 | 143 |
| Infrastructure - Other | | | 164 | - | 130 | 350 | 355 | 355 | 130 | - | - |
| Infrastructure | | | 1 664 | 957 | 1 330 | 8 076 | 15 158 | 15 158 | 11 390 | 1 285 | 3 443 |
| Community | | | - | 184 | 230 | 200 | 200 | 200 | 1 015 | 900 | 1 450 |
| Other assets | | 6 | 200 | 223 | 347 | 2 038 | 1 847 | 1 847 | 3 011 | 1 840 | 1 462 |
| Intangibles | | | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure | | 4 | 26 293 | 7 283 | 18 126 | 16 750 | 24 081 | 24 081 | 23 700 | 24 990 | 19 900 |
| Infrastructure - Road transport | | | 1 943 | 1 548 | 487 | 720 | 715 | 715 | 1 178 | 1 865 | 1 677 |
| Infrastructure - Electricity | | | 8 498 | 4 593 | 943 | 11 225 | 10 344 | 10 344 | 7 857 | - | - |
| Infrastructure - Other | | | 36 734 | 13 424 | 19 556 | 28 695 | 35 140 | 35 140 | 32 736 | 26 855 | 21 577 |
| Infrastructure | | | 6 120 | 5 546 | 3 316 | 17 211 | 8 484 | 8 484 | 4 415 | 4 928 | 21 950 |
| Community | | | - | 1 866 | 800 | 2 100 | 2 100 | 2 100 | - | - | - |
| Investment properties | | | 3 691 | 2 574 | 1 786 | 3 408 | 3 984 | 3 984 | 4 723 | 3 727 | 3 982 |
| Other assets | | | - | - | - | - | - | - | - | - | - |
| Intangibles | | | - | - | - | - | - | - | - | - | - |
| TOTAL CAPITAL EXPENDITURE - Asset class | | 2 | 46 546 | 23 409 | 25 458 | 51 414 | 49 709 | 49 709 | 41 874 | 35 510 | 47 509 |
| ASSET REGISTER SUMMARY - PPE (WDV) | | | | | | | | | | | |
| Infrastructure - Road transport | | 5 | 62 465 | 192 154 | 212 208 | 157 748 | 212 208 | 212 208 | 189 106 | 189 106 | 189 106 |
| Infrastructure - Electricity | | | 12 404 | 40 984 | 39 798 | 36 922 | 39 798 | 39 798 | 39 798 | 39 798 | 39 798 |
| Infrastructure - Other | | | 74 869 | 233 138 | 252 006 | 194 670 | 252 006 | 252 006 | 228 904 | 228 904 | 228 904 |
| Infrastructure | | | 42 205 | 51 276 | 52 594 | 89 328 | 52 294 | 52 294 | 52 294 | 52 294 | 52 294 |
| Community | | | 6 735 | 8 601 | 9 401 | 15 421 | 10 201 | 10 201 | 11 701 | 13 201 | 14 001 |
| Investment properties | | | 124 346 | 122 400 | 134 100 | 116 201 | 138 304 | 138 304 | 164 186 | 199 579 | 222 100 |
| Other assets | | | 23 | 49 | 46 | 5 | 56 | 56 | 66 | 76 | 86 |
| TOTAL ASSET REGISTER SUMMARY - PPE (WDV) | | 5 | 248 177 | 415 464 | 448 147 | 415 625 | 452 861 | 452 861 | 457 151 | 494 054 | 517 385 |
| EXPENDITURE OTHER ITEMS | | | | | | | | | | | |
| Depreciation & asset impairment | | | 7 265 | 7 037 | 7 548 | 8 804 | 8 101 | 8 101 | 8 547 | 8 983 | 9 423 |
| Repairs and Maintenance by Asset Class | | 3 | 5 097 | 5 505 | 10 013 | 8 548 | 10 299 | 10 299 | 6 250 | 6 545 | 7 598 |
| Infrastructure - Road transport | | | 1 721 | 2 043 | 4 227 | 3 974 | 4 301 | 4 301 | 1 062 | 1 116 | 1 171 |
| Infrastructure - Electricity | | | 946 | 1 092 | 1 082 | 1 281 | 1 355 | 1 355 | 1 409 | 1 481 | 1 553 |
| Infrastructure - Other | | | 573 | 492 | 630 | 492 | 702 | 702 | 731 | 768 | 806 |
| Infrastructure | | | 3 240 | 3 627 | 5 938 | 5 747 | 6 358 | 6 358 | 3 201 | 3 364 | 3 529 |
| Community | | | 1 550 | 1 428 | 3 405 | 2 192 | 3 278 | 3 278 | 2 057 | 1 780 | 2 974 |
| Other assets | 6, 7 | | 307 | 450 | 670 | 610 | 663 | 663 | 992 | 1 400 | 1 094 |
| TOTAL EXPENDITURE OTHER ITEMS | | | 12 362 | 12 542 | 17 561 | 17 352 | 18 400 | 18 400 | 14 797 | 15 527 | 17 020 |
| <i>Renewal of Existing Assets as % of total capex</i> | | | 4.0% | 5.8% | 7.5% | 20.1% | 34.6% | 34.6% | 36.8% | 11.3% | 13.4% |
| <i>Renewal of Existing Assets as % of deprecn"</i> | | | 25.6% | 19.3% | 25.3% | 117.1% | 212.4% | 212.4% | 180.4% | 44.8% | 67.4% |
| <i>R&M as a % of PPE</i> | | | 2.1% | 1.4% | 2.3% | 2.1% | 2.3% | 2.3% | 1.4% | 1.4% | 1.5% |
| <i>Renewal and R&M as a % of PPE</i> | | | 3.0% | 2.0% | 3.0% | 5.0% | 6.0% | 6.0% | 5.0% | 2.0% | 3.0% |

| TABLE A9 ASSET MANAGEMENT | |
|------------------------------|-----------------------------|
| 2013/2014 MTREF | |
| DESCRIPTION | BUDGET YEAR 2013/2014 R'000 |
| ASSET REGISTER SUMMARY | |
| INFRASTRUCTURE : ROADS | 189106 |
| INFRASTRUCTURE : ELECTRICITY | 39798 |
| INVESTMENT PROPERTIES | 11701 |
| COMMUNITY ASSETS | 52294 |
| INTANGIBLE ASSETS | 66 |
| OTHER ASSETS | 164186 |
| TOTAL CAPITAL EXPENDITURE | 457151 |



KZN284 uMlalazi - Table A10 Basic service delivery measurement

| Description | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | Medium Term Revenue & Expenditure | | |
|----------------------------------------------------------------------------|-----|---------|---------|---------|----------------------|-----------------|--------------------|-----------------------------------|------------------------|------------------------|
| | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Household service targets | | | | | | | | | | |
| <i>Energy:</i> | | | | | | | | | | |
| Electricity (at least min.service level) | | 1 412 | 1 552 | | 763 | 763 | 763 | 695 | 675 | 600 |
| Electricity - prepaid (min.service level) | | 3 949 | 4 340 | | 4 560 | 4 560 | 4 560 | 3 334 | 3 354 | 3 429 |
| <i>Minimum Service Level and Above sub-total</i> | | 5 361 | 5 892 | - | 5 323 | 5 323 | 5 323 | 4 029 | 4 029 | 4 029 |
| Electricity (< min.service level) | | | | | | | | | | |
| Electricity - prepaid (< min. service level) | | 461 | 583 | | 690 | 690 | 690 | 704 | 704 | 704 |
| Other energy sources | | | | | | | | | | |
| <i>Below Minimum Service Level sub-total</i> | | 461 | 583 | - | 690 | 690 | 690 | 704 | 704 | 704 |
| Total number of households | 5 | 5 822 | 6 475 | - | 6 013 | 6 013 | 6 013 | 4 733 | 4 733 | 4 733 |
| <i>Refuse:</i> | | | | | | | | | | |
| Removed at least once a week | | | | | | | | 4 450 | 4 540 | 4 630 |
| <i>Minimum Service Level and Above sub-total</i> | | - | - | - | - | - | - | 4 450 | 4 540 | 4 630 |
| Removed less frequently than once a week | | | | | | | | | | |
| Using communal refuse dump | | | | | | | | | | |
| Using own refuse dump | | | | | | | | | | |
| Other rubbish disposal | | | | | | | | | | |
| No rubbish disposal | | | | | | | | | | |
| <i>Below Minimum Service Level sub-total</i> | | - | - | - | - | - | - | - | - | - |
| Total number of households | 5 | - | - | - | - | - | - | 4 450 | 4 540 | 4 630 |
| Households receiving Free Basic Service | 7 | | | | | | | | | |
| Electricity/other energy (50kwh per household per month) | | | | | 2 787 | 2 787 | 2 787 | 2 844 | 2 900 | 2 960 |
| Refuse (removed at least once a week) | | | | | 989 | 989 | 989 | 994 | 1 014 | 1 035 |
| Cost of Free Basic Services provided (R'000) | 8 | | | | | | | | | |
| Electricity/other energy (50kwh per household per month) | | | | | 33 | 33 | 33 | 37 | 37 | 37 |
| Refuse (removed once a week) | | | | | 101 | 101 | 101 | 112 | 120 | 128 |
| Total cost of FBS provided (minimum social package) | | - | - | - | 134 | 134 | 134 | 149 | 157 | 165 |
| Highest level of free service provided | | | | | | | | | | |
| Property rates (R value threshold) | | 50 | 50 | | 75 | 75 | 75 | 75 | 75 | 75 |
| Electricity (kwh per household per month) | | | | | 50 | 50 | 50 | 50 | 50 | 50 |
| Refuse (average litres per week) | | | | | | | | | | |
| Revenue cost of free services provided (R'000) | 9 | | | | | | | | | |
| Property rates (R15 000 threshold rebate) | | | | | 732 | 732 | 732 | 752 | 790 | 829 |
| Property rates (other exemptions, reductions and rebates) | | 11 766 | 11 766 | | 10 583 | 10 583 | 10 583 | 9 362 | 9 839 | 10 322 |
| Electricity/other energy | | 611 | 611 | | 1 050 | 1 050 | 1 050 | 1 217 | 1 306 | 1 415 |
| Refuse | | 459 | 459 | | 1 207 | 1 207 | 1 207 | 1 363 | 1 459 | 1 561 |
| Total revenue cost of free services provided (total social package) | | 12 836 | 12 836 | - | 13 572 | 13 572 | 13 572 | 12 694 | 13 394 | 14 127 |

5. OVERVIEW OF ANNUAL BUDGET PROCESS

5.1 Process to prepare the budget

The budget and IDP process occurred according to the budget timetable approved by Council in August 2012. The Budget and MTREF was also prepared taking cognizance of the contents of the LG: MFMA, Act No. 56 of 2003, Circular No.58 and the LG: MFMA Budget Formats Guide received from National Treasury.

5.2 Service Delivery and Budget Implementation Plan

Section 1 of the Local Government: Municipal Finance Management Act (No.56 of 2003) defines the SDBIP as:

- " a detailed plan approved by the mayor of a municipality in terms of section 53 (1)(c)(ii) for implementing the municipality's delivery of services and the execution of its annual budget and which must include (as part of the top-layer) the following:
 - (a) projections for each month of
 - (i) revenue to be collected, by source; and
 - (ii) operational and capital expenditure, by vote;
 - (b) service delivery targets and performance indicators for each quarter".

The municipal manager is responsible for the preparation of the SDBIP, which must be legally submitted to the mayor for approval once the budget has been approved by the council (around end-May or early-June). However, the municipal manager should start the process to prepare the top-layer of the SDBIP no later than the tabling of the budget (around March or earlier) and preferably submit a draft SDBIP to the mayor by 1 May (for initial approval). Once the budget is approved by the Council, the municipal manager should merely revise the approved draft SDBIP, and submit for final approval within 14 days after the approval of the budget. The mayor should therefore approve the final SDBIP and performance agreements simultaneously, and then make the SDBIP and performance agreement of the municipal manager public within 14 days, preferably before 1 July. Note that it is only the top layer (of high-level) detail of the SDBIP that is required to be made public.

It is the output and goals made public in the SDBIP that will be used to measure performance on a quarterly basis during the financial year. Note that such in-year monitoring is meant to be a light form of monitoring. The council should reserve its oversight role over performance at the end of the financial year, when the mayor tables the annual report of the municipality. The in-year monitoring is designed to pick up major problems only, and aimed at ensuring that the mayor and municipal manager are taking corrective steps when any unanticipated problems arise. The SDBIP serves a critical role to focus both the administration and council on outputs by providing clarity of service delivery expectations, expenditure and revenue requirements, service delivery targets and performance indicators.

The SDBIP provides the vital link between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councilors, municipal manager, senior managers and community. A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by council. It enables the municipal manager to monitor the performance of senior managers, the mayor to monitor the performance of the municipal manager, and for the community to monitor the performance of the municipality. The SDBIP should therefore determine (and be consistent with) the performance agreements between the mayor and the municipal manager and the municipal manager and senior managers determined at the start of every financial year and approved by the mayor. It must also be consistent with outsourced service delivery agreements such as municipal entities, public-private partnerships, service contracts and the like.

The Service Delivery and Budget Implementation Plan (SDBIP) for the 2013/2014 budget year, is included in section 14 of this document.

5.3 Review of Integrated Development Plan (IDP)

Hereunder follows the summary of the IDP process:

| MONTH | ACTIVITIES | | | BUDGET |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | IDP | PMS | | |
| July | <p>Draft IDP Process 2013/14. Submit draft 2013/14 Process Plan to COGTA for assessment and approval by MEC.</p> <p>District adopts a binding framework for IDP in the area as a whole ensuring alignment of the IDP process of the district and various local municipalities, MSA s 27.</p> <p>Development of IDP Process Plan that guide the planning, drafting, adoption and review of the plan, MSA s 28.</p> | <p>Municipal Manager submits draft service delivery and implementation plan (SDBIP) to Mayor no later than 14 days after approval of budget.</p> <p>Mayor ensures that service delivery and budget implementation plan is approved within 14 days of approval of budget.</p> <p>Mayor to ensure that the following is made public within 14 days of approval of service delivery and budget implementation plan.</p> <p>Municipal Manager submits draft performance agreements to Mayor no later than 14 days after approval of budget, s69 of the MFMA and s57 of the MSA.</p> <p>Mayor to ensure that performance agreements comply with MFMA to promote sound financial management.</p> <p>Mayor to ensure that agreements are linked to the measurable performance objectives approved with the budget and service delivery implementation plan.</p> <p>Mayor to ensure that agreements are linked to the measurable performance objectives approved with the budget and service delivery implementation plan.</p> | <p>Mayor begins planning for next three year budget in accordance with coordination role of budget process, MFMA s 53.</p> <p>Planning includes review of the previous year budget process and completion of the Budget Evaluation Checklist.</p> | <p>Municipal Manager and Heads of Departments planning for next threeyear budget, MFMA s 68, 77.</p> <p>Municipal Manager and Heads of Departments review options and contracts for service delivery, MSA s 7681.</p> |

| | | | | |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| | | <p>Mayor to ensure performance agreements submitted to Council and MEC for local government in the province.</p> <p>2012/13 final s 56 Managers' Performance Assessments.</p> <p>Quarterly SDBIP Report (for last quarter of 11/12) MPPR Reg. 14.</p> <p>Quarterly Audit Committee meeting (for the last quarter of 11/12) MFMA Sect 166 & MPPR Reg. 14(3)(a).</p> <p>Special Audit Committee meeting (for evaluation of s 56 Managers final assessments) MPPR Reg. 14(3)(b).</p> | | |
| August | <p>Workshop the entire Process Plan with Council.</p> <p>IDP Review Process Plan tabled at MANCO, EXCO and Council for approval.</p> <p>Give notice to local community of particulars of the Process Plan, MSA s28. (The advert will come out in the first week of September 2011).</p> <p>IDP preparation process Consider proposals received from MEC, if any, MSA s 32.</p> <p>Consider comments received from Councillors, Ward Committees and other various roleplayers during the 2012/13 IDP Screening Session and IDP/Budget.</p> | | <p>Mayor tables in Council a Process Plan outlining key deadlines for: preparing, tabling and approving the budget, developing and/or reviewing the IDP (as per s 34 of MSA) and budget related policies and consultation processes at least 10 months before the start of the budget year, MFMA s 21,22, 23; MSA s 34, Ch 4 (as amended).</p> <p>Mayor establishes committees and consultation forums for the budget process.</p> | <p>Municipal Manager submit financial statements of the municipality to AuditorGeneral by 31 August, MFMA Sec 126(1)(a).</p> |

| | | | | |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| September | <p>IDP preparation process</p> <p>Hold a self assessment Dialogue to review performance of the municipality and determine shortcomings and weaknesses.</p> <p>Integration of information into IDP where necessary including incorporation of Service Plans from Heads of Departments.</p> <p>Initiate the process of reviewing Spatial Development Framework.</p> <p>Updating and review of the strategic elements of the SDF in line with the EXCO focus.</p> <p>Public consultation in terms of CBP continues.</p> <p>Refinement of Statutory Plans initiated by Heads of Departments.</p> | Auditor General audit of performance measures | <p>Council through the IDP process determines five -year strategic objectives for service delivery and development for next threeyear budgets including review of provincial and national government sector and strategic plans.</p> | <p>Municipal Manager submit consolidated Annual Financial Statement to AuditorGeneral by 30 September, MFMA Sec 126(1)(b). This should be read in conjunction with the Exemption by the National Treasury (Government Gazette No. 522, 29 June 2007)</p> <p>Budget offices of municipality and entities determine revenue projections and proposed rate and service charges and drafts initial allocations to functions and departments for the next financial year after taking into account strategic objectives.</p> <p>Engages with Provincial and National sector departments on sector specific programmes for alignment with municipalities plans (schools, libraries, clinics, water, electricity, roads, etc).</p> |
| October | <p>Continue with integration of information from Service Plans into the IDP.</p> <p>EXCO uThungulu to review and update the IDP Vision, Objectives and Strategies.</p> <p>Setting new strategic agenda for the IDP in light of the new focus of Council.</p> <p>Initiate the process of reviewing Spatial Development</p> | <p>Appointment of the Audit Committee, MPPR Reg. 14.</p> <p>Sect 57 Managers' quarterly assessments (for first quarter of 2011/12)</p> | | <p>Municipal Manager does initial review of national policies and budget plans and potential price increases of bulk resources with function and department officials, MFMA s 35, 36, 42; MTBPS</p> |

| | | | | |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>Framework.</p> <p>Initiate CBP Communitybased planning launched.</p> <p>Engage in a process of developing ward plans in line with MTREF.</p> <p>Updating and review of the strategic elements of the SDF in line with the EXCO focus.</p> | | | |
| November | <p>Continue with integration of information from Service Plans, Statutory Plans into the IDP.</p> <p>Initiate the process of reviewing Spatial Development Framework.</p> <p>Confirming municipal priority areas for the next 5 years.</p> <p>High level programmes from all wards integrated into IDP.</p> <p>Refining municipal Strategies, Objectives, KPA's, KPI's and targets so as to influence the budget.</p> <p>Set and agree on three IDP priority projects.</p> <p>Stakeholder Forum to refine, amend and/or confirm the above.</p> | <p>Quarterly SDBIP (for first quarter of 2011/12, MPPR Reg. 14).</p> <p>Quarterly Audit Committee meeting (for the first quarter of 0910 MFMA Sect 166 & MPPR Reg. 14(3)(a)).</p> | | <p>Municipal Manager reviews and drafts initial changes to IDP, MSA s34.</p> <p>AuditorGeneral to return audit report due by 30 November, MFMA 126(4).</p> |

| | | | | |
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| December | <p>Institutional plan refined to deliver on the municipal strategy.</p> <p>Horizontal and vertical alignment with District, Province and other stakeholders begins.</p> <p>Directorates identifying programmes and projects with external stakeholders.</p> <p>Financial Plan and Capital Investment Plan are developed.</p> | <p>Compile annual report for 2011/12, MFMA s121.</p> | <p>Council finalises tariff (rates and service charges) policies for next financial year, MSA s 74, 75.</p> | <p>Audit report returned to the Municipal Manager by 31 December, MFMA s133(2).</p> <p>On receipt of the audit report Municipal Manager must address issues raised by the AuditorGeneral and prepare action plans to address issues and include these in the annual report, MFMA s131(1).</p> <p>Municipal Manager and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous year performance as per audited financial statements.</p> |
| January | <p>Horizontal and vertical alignment with District, Province and other stakeholders continues.</p> <p>Directorates identifying programmes and projects with external stakeholders.</p> <p>Capital Investment and Financial Plans refined.</p> | <p>Annual Customer Satisfaction survey (to be consolidated to 2011/12 annual report), MSA s 40.</p> <p>Mayor tables annual reports for 2010/11, MFMA Sect127(2).</p> <p>Make public annual report and invite community inputs into report (MFMA s127 & MSA s 21a).</p> <p>s 57 Managers' quarterly assessments (for second quarter of 11/12).</p> | <p>Head of Directors of directors must approve and submit proposed budget and plans for next threeyear budgets to Municipal Manager at least 150 days before the start of the budget year, MFMA s 87(1).</p> | <p>Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling. (Proposed national and provincial allocations for three years must be available by 20 January), MFMA s 36.</p> <p>Immediately after the annual report is tabled, the Municipal Manager make public annual report and invite community inputs into report (MFMA s 127 & MSA s21a).</p> |

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| February | <p>Horizontal and vertical alignment with District, Province and other stakeholders continues.</p> <p>Directorates identifying programmes and projects with external stakeholders.</p> <p>Capital Investment and Financial Plans refined.</p> | <p>Quarterly SDBIP (for second quarter of 11/12) MPPR Reg. 14</p> <p>Quarterly Audit Committee meeting (for the second quarter of 11/12, MFMA Sect 166 & MPPR Reg. 14(3)(a)</p> <p>Submit annual report to Auditor General, MECs for Local Government and Treasury, MFMA s 127.</p> | <p>Council considers Municipal Manager proposed budget and service delivery plan and accepts or makes recommendations, MFMA s 87(2).</p> | <p>Municipal Manager finalises and submits to Mayor proposed budgets and plans for next three year budgets taking into account the recent midyear review and any corrective measures proposed as part of the oversight report for the previous years audited financial statements and annual report.</p> <p>Municipal Manager to notify relevant municipalities of projected allocations for next three budget years 120 days prior to start of budget year, MFMA s 37(2).</p> |
| March | <p>Prepare service delivery and budget implementation plans linked to the IDP strategies, objectives, KPI's and targets.</p> <p>Finalise Capital Investment Plan and Financial Plans.</p> <p>Conclusion of Service Plans and integration into the IDP document.</p> <p>Tabling of draft IDP, budget, plans and related policies with resolutions before Council (Municipal Manager)</p> <p>Publication of the tabled IDP, budget, plans and invitation to local community and stakeholders for comments and inputs and submission to National and Provincial treasuries.</p> | <p>Council to consider and adopt an oversight report, due by 31 March, MFMA Sec 129(1).</p> <p>Set performance objectives for revenue for each budget vote, MFMA s 17.</p> | <p>Heads of Departments considers recommendations of Municipal Manager and submit revised budget, MFMA s 87(2).</p> <p>Mayor tables municipality budget, budgets of entities, resolutions, plans, and proposed revisions to IDP at least 90 days before start of budget year, MFMA s 16, 22, 23, 87; MSA s 34.</p> | <p>Municipal Manager publishes tabled budget, plans , and proposed revisions to IDP, invites local community comment and submits to National Treasury, Provincial Treasury and others as prescribed MFMA s 22 & 37; MSA Ch 4 (as amended).</p> <p>Municipal Manager reviews any changes in prices for bulk resources as communicated, MFMA s 42.</p> |

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| April | <p>Portfolio Committee and Council Hearings launched through series of public representations by community and stakeholders on the IDP and Budget.</p> <p>Prepare service delivery and budget implementation plans linked to the IDP strategies, objectives, KPI's and targets.</p> | <p>Refinement of Municipal Strategies, Objectives, KPA's, KPI's and targets and inclusion into 2011/16 IDP report.</p> <p>s57 Managers' Quarterly Performance Assessments Publicise Annual Oversight Report within seven day of adoption, MFMA Sec 129(3) and s 21A MSA.</p> <p>Within seven days of adoption of Oversight Report submit to the Provincial Legislature/MEC Local Government the annual report and the oversight reports on those annual reports, MFMA Sec 132(2).</p> | <p>Consultation with national and provincial treasuries and finalise service plans for water, sanitation, electricity etc, MFMA s 21.</p> | <p>Accounting officer assists the Mayor in revising budget documentation in accordance with consultative processes and taking into account the results from the third quarterly review of the current year.</p> |
| May | <p>IDP Budget Conference to consider the revisions and amendments to the IDP and budget.</p> <p>Consultative Workshop with the entire Council on the final draft IDP and the budget.</p> <p>EXCO recommends adoption of the IDP to Council.</p> <p>Council sitting to approve IDP, budget and related policies.</p> | <p>Quarterly SDBIP Report (for third quarter of 2011/12) MPPR Reg. 14</p> <p>Quarterly Audit Committee meeting (for third quarter of 2011/12 , MFMA s 166 & MPPR Reg. 14(3)(a).</p> <p>Annual review of organisational KPIs, MPPR Reg 11.</p> <p>Review annual organizational performance targets, MPPR Reg 11.</p> | <p>Public hearings on the budget, and council debate. Council consider views of the local community, National Treasury, Provincial Treasury, other provincial and national organs of state and municipalities. Mayor to be provided with an opportunity to respond to submissions during consultation and table amendments for council consideration. Council to consider approval of budget and plans at least 30 days before start of budget year, MFMA s 23, 24; MSA Ch 4 (as amended).</p> <p>Municipal Managers and Heads of Departments to approve the budget of the entity not later than 30 days before the start of the financial year, taking into account any hearings or recommendations of the council, MFMA s 87.</p> | <p>Municipal Manager assists the Mayor in preparing the final budget documentation for consideration for approval at least 30 days before the start of the budget year taking into account consultative processes and any other new information of a material nature.</p> |

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| June | <p>Submission of draft 2012/13 SDBIP and annual performance agreements by Municipal Manager to the Mayor for consideration.</p> <p>Mayor approves 2012/13 SDBIP and annual performance agreements for Municipal Manager and Directors (s 57).</p> | <p>Community input into organisation KPIs and targets.</p> | <p>Council must approve annual budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year, MFMA s16, 24, 26, 53.</p> <p>Mayor must approve SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded in accordance with s 57(2) of the MSA.</p> <p>Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP.</p> <p>The mayor submits the approved SDBIP and performance agreements to council, MEC for local government and makes public within 14 days after approval, MFMA s 53; MSA s 3845, 57(2).</p> <p>Council must finalise a system of delegations, MFMA s 59, 79, 82; MSA s 5965.</p> | <p>Municipal Manager submits to the Mayor no later than 14 days after approval of the budget a draft of the SDBIP and annual performance agreements required by s 57(1)(b) of the MSA and MFMA s 69; MSA s57.</p> <p>Municipal Manager publish adopted budget and plans, MFMA s 75, 87.</p> |
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5.4 Consultation process

The proposed consultation meetings with the community are scheduled as follows:

| Venue | Day | Date | Time |
|----------------------------------------|---------|---------------|-------|
| Gingindlovu Community Hall (Ward 18) | Tuesday | 19 March 2013 | 17:30 |
| Kwaphangandawo Community Hall (Ward 7) | Sunday | 24 March 2013 | 13:30 |
| Esiwohlweni Community Hall (Ward 21) | Sunday | 31 March 2013 | 11:00 |
| Eshowe Town Hall (Ward 11&12) | Sunday | 7 April 2013 | 14:00 |
| Mthunzini Community Hall Ward 19) | Tuesday | 9 April 2013 | 17:30 |

5.5 Schedule of key deadlines

Hereunder is the schedule of key deadlines that was approved by Council in June 2012,

| Tasks and Activities | Responsible Body | Effective Date |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------|
| July 2012 | | |
| <ul style="list-style-type: none"> Discussion with Directors and Managers on the 2013/2014 budget process. Establishing of forums and committees (internal and external) for consultation on budget and IDP process. | Chief Financial Officer Municipal Manager/ Directors | 09 July 2012 During July 2012 |
| August 2012 | | |
| <ul style="list-style-type: none"> Preparation of 2013/2014 IDP Process plan to be submitted to Exco and Council, and thereafter to the Dept of Co-operative Governance and Traditional Affairs. Assess 2011/2012 Draft Financial Statements and current year's (2012/2013) revised results and capacity, to determine the impact on future strategies and budgets. | Municipal Manager Chief Financial Officer | 06 August 2012 31 August 2012 |
| September 2012 | | |
| <ul style="list-style-type: none"> Issuing of 5 year Capital Programme to Mayor and Directors for amendments. Workshop with Senior Management in order to review the prioritization model to be used to compile the capital budget. Council approval of the 2013/2014 IDP Process plan. | Chief Financial Officer Chief Financial Officer Municipal Manager | 03 September 2012 03 September 2012 25 September 2012 |

| Tasks and Activities | Responsible Body | Effective Date |
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| <p>October 2012</p> <ul style="list-style-type: none"> • Issuing of blank Operating Budget to Mayor and Senior Managers to be used as working documents. • Issuing of the 2013/2014 Multi-year guideline addressing various budget assumptions, internal budget processes, policies etc. • Public information meetings (divided into the established clusters), reviewing and strategizing the current Integrated Development Plan. • Obtain allocations to municipalities from National and Provincial Governments in terms of the Draft Division of Revenue Bill. • Budget requests from Councillors/ ward committees, fully supported within the IDP document, be submitted to the Municipal Manager in order for the relevant Director to determine the financial and operational impacts of such requests. | Chief Financial Officer Chief Financial Officer Municipal Manager Chief Financial Officer Municipal Manager/ Councillors/ Relevant Directors | 01 October 2012 01 October 2012 During October 31 October 2012 31 October 2012 |
| <p>November 2012</p> <ul style="list-style-type: none"> • Discussions with Directors/ Managers on the Draft Capital projects for the 2013/2014 Multi-year budget. • Information sharing meeting/ session with all sector departments and neighbouring local municipalities to ensure that synergy occurs on all levels between the various local IDP documents and to align with the IDP review document of the District Municipality to achieve more support on the regional scale. • Submission of the public participation report to the Mayor. • Submission of the Draft 5 year Capital Programme according to the Council's strategic objectives, as set out in the Integrated Development Plan. | Chief Financial Officer Municipal Manager Municipal Manager Municipal Manager Directors | 05 November 2012 15 November 2012 16 November 2012 30 November 2012 |

| Tasks and Activities | Responsible Body | Effective Date |
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| November 2012 (Continued) | | |
| <ul style="list-style-type: none"> Submission of the Draft Operating estimates for the 2013/2014 Multi-year budget, analysed according to activities aligned to the Council's strategic objectives, as set out in the Integrated Development Plan. Submission of business plans for Equitable Share grant allocations spending for the 2013/2014 budget year. | <p>Directors</p> <p>Directors</p> | <p>30 November 2012</p> <p>30 November 2012</p> |
| December 2012 | | |
| <ul style="list-style-type: none"> Perform a mid-year financial review on the current year's (2012/2013) budget and revised estimates to submit an Adjustments budget to Council if considered necessary. Alignment of the Draft Capital estimates to the IDP. | <p>Directors</p> <p>Directors</p> | <p>14 December 2012</p> <p>14 December 2012</p> |
| January 2013 | | |
| <ul style="list-style-type: none"> Discussions with Directors on the Draft Operating estimates for the 2013/2014 Multi-year budget. Alignment of the Draft Operating estimates to IDP. Submit 2011/2012 Annual Report to Council. Submit adjustments budget, mid-year budget and performance assessment report to Council. Submission of cash flow for 2013/2014 capital expenditure and draft SDBIP for the 2013/2014 budget year. | <p>Chief Financial Officer</p> <p>Directors</p> <p>Municipal Manager</p> <p>Municipal Manager/ Chief Financial Officer</p> <p>Directors</p> | <p>14 January 2013</p> <p>14 January 2013</p> <p>22 January 2013</p> <p>22 January 2013</p> <p>31 January 2013</p> |

| Tasks and Activities | Responsible Body | Effective Date |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| <p>February 2013</p> <ul style="list-style-type: none"> • Submit to National and Provincial Treasury in both printed and electronic form the adjustments budget, mid-year budget and performance assessment within 10 working days of Council meeting. • Make public the adjustments budget, mid-year budget and performance assessment report by placing it on municipal website. • Discussions with Directors on the Draft Capital and Operating estimates for the 2013/2014 Multi-year budget. • Discussions with Directors on the Draft Service Delivery and Budget Implementation Plan for the 2013/2014 budget year. | Municipal Manager Municipal Manager Chief Financial Officer Chief Financial Officer | 05 February 2013 05 February 2013 18 February 2013 19-22 February 2013 |
| <p>March 2013</p> <ul style="list-style-type: none"> • Discussions with Budget Steering Committee on the Draft Capital and Operating estimates for the 2013/2014 Multi-year budget. • Submit Draft 2013/2014 Multi-year budget, Draft IDP and Draft Service Delivery and Budget Implementation Plan to Council. | Municipal Manager/ Chief Financial Officer Chief Financial Officer | 04 March 2013 26 March 2013 |
| <p>April 2013</p> <ul style="list-style-type: none"> • Make public the tabled draft budget and supporting documentation within 10 working days after being approved by Council. • Tabled Draft 2013/2014 Multi-year budget, Draft IDP and Draft Service Delivery and Budget Implementation Plan in both printed and electronic format to National and Provincial Treasury within 10 working days after being approved by Council. | Municipal Manager Municipal Manager | 11 April 2013 11 April 2013 |

| Tasks and Activities | Responsible Body | Effective Date |
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| <p>April 2013 (Continued)</p> <ul style="list-style-type: none"> • Undertake a 4 week community consultation process of the budget. • Discussions with Budget Steering Committee on the revised 2013/2014 Multi-year budget. • Revision of the budget and IDP from inputs received from the community, Government departments and National Treasury, if required. | <p>Mayor/ M M and Directors Municipal Manager/ Chief Financial Officer Chief Financial Officer</p> | <p>During April 2013 29 April 2013 30 April 2013</p> |
| <p>May 2013</p> <ul style="list-style-type: none"> • Informal discussions with Exco on the 2013/2014 Multi-year budget. • Revised budget, IDP and Service Delivery and Budget Implementation Plan, incorporating community inputs, tabled at Council for approval. | <p>Municipal Manager/ Chief Financial Officer Mayor</p> | <p>08 May 2013 28 May 2013</p> |
| <p>June 2013</p> <ul style="list-style-type: none"> • Preparation of the budget process plan and timetable for the 2014/2015 multi-year budget. • Publish approved budget and tariffs. For the 2012/2013 budget year. • Make public the approved budget and supporting documentation within 10 working days after being approved by Council, by placing it on the municipal website. • Approved 2013/2014 Multi-year budget, IDP and Service Delivery and Budget Implementation Plan both printed and electronic format to National and Provincial Treasury within 10 working days after being approved by Council. • Council approval of the 2014/2015 Multi-year budget process and timetable. | <p>Chief Financial Officer Corporate Services Municipal Manager Municipal Manager Chief Financial Officer</p> | <p>03 June 2013 06 June 2013 11 June 2013 11 June 2013 25 June 2013</p> |

6. Overview of alignment of annual budget with Integrated Development Plan

6.1 Hereunder follows the strategic plan to be included in the draft IDP

| ACTION PLAN | | | | | | |
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| KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT | | | | | | |
| GOAL | STRATEGY | ACTION | 2013/14 | 2014/2015 | 2015/2016 | DEPARTMENT |
| Institutional development | To finalise job evaluation – Appeals, new positions | <ol style="list-style-type: none"> Finalise and implement Organisational restructuring – Complete outstanding job descriptions in terms of task Complete appeals through provincial tribunal | √ | | | Corporate |
| | To attract and retain scarce skilled staff | <ul style="list-style-type: none"> Identify scarce posts Develop and implement Scarce Skills Policy | √ | | | |
| | To develop Contract Management | <ol style="list-style-type: none"> Fill vacant post of contract manager Implement contracts management system | √ | | | |
| | Fill critical & essential posts in-line with revised Organisational Structure To increase staff capacity in all Departments | <ol style="list-style-type: none"> Convert Contract staff to permanent positions Fill the new prioritized positions in terms of organogram | √ | √ | | |
| | To provide adequate training and development to staff & councillors | <ul style="list-style-type: none"> Train Staff and Councillors in terms of workplace skills plan | √ | | | |
| | To introduce an Employee Assistance Programme | <ul style="list-style-type: none"> Appoint EAP Officer Adopt Employee Assistance Programme Budget & Implement Employee Assistance Programme | R100000 | √ | √ | |
| | To provide improved IT Management | <ul style="list-style-type: none"> Carry out Audit on current computer and software requirements, including data management Identify and address critical shortcomings in terms of technology and operating systems <p>Employment of IT Officer to improve capacity and functionary areas of IT</p> | √ | √ | √ | |

| Municipal Transformation | To ensure employment equity | Review Employment Equity Plan | √ | | | • |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------|-----------|------------|
| KPA 2: SERVICE DELIVERY | | | | | | |
| GOAL | STRATEGY | ACTION | 2013/14 | 2014/2015 | 2015/2016 | DEPARTMENT |
| To address Backlogs in Service Delivery | To facilitate the provision of potable water and sanitation | <ul style="list-style-type: none"> Facilitate with uThungulu to ensure alignment of water provisioning to relevant Municipal Capital Projects <p>Conduct Feasibility Study to take over water and sanitation services function</p> | √ | √ | √ | • |
| | To provide electricity / energy within Eshowe | <ul style="list-style-type: none"> Upgrade Eskom Power Supply to improve capacity to Eshowe Investigate ringfeed project for King Dinuzulu Investigate and implement renewable energy programmes Implement phase 2 of solar water geysers project <p>Ensure labour-intensive construction ("LIC") as per EPWP requirements</p> | | | | • |
| | To facilitate Electricity provision in all areas (with the exception of Eshowe) | <ul style="list-style-type: none"> Conduct meetings with Eskom to ensure alignment of energy provisioning to Municipal Capital Projects Facilitate the provision of Free Electricity Services Liase with Eskom to investigate and implement renewable energy programmes for Council buildings | | | | • |
| | To ensure the roll-out of waste management services in rural areas, and the provision of recycling facilities at appropriate locations | <ul style="list-style-type: none"> Expand 'Food for Waste' and "War against Poverty" programmes into all wards Conduct feasibility study for recycling facilities and buy back centres in order to create jobs Investigate waste transfer station services in rural areas <p>Support existing recycling companies</p> | | | | • |
| | To ensure the provision and maintenance of municipal roads, sidewalks and causeways | <ul style="list-style-type: none"> Continued implementation of Pavement Management System for urban roads, sidewalks and Stormwater Management Systems Implement rural roads programme with the hired graders Prepare Integrated Transportation Plan Implement Integrated Transportation Plan <p>Implement Road Management System</p> | | | | • |
| | To ensure the provision of commuter and trading shelters | <ul style="list-style-type: none"> Formalise the trading areas at the Eshowe Bus and Taxi Rank Formalise the trading areas at Bus and Taxi Ranks in King DinuZulu and Gingindlovu Identify land within Mtunzini for informal trading purposes Provision of shelters and offices at King DinuZulu Bus and Taxi Rank Provision of offices at Gingindlovu Bus and Taxi Rank Prepare Short-Term Strategy to address immediate informal trading challenges in urban areas <p>Prepare Informal Trading Plan for all Nodal Areas</p> | | | | • |

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| | Quality control in rural area | <ul style="list-style-type: none"> Ensure that building plans are submitted and approved for all structures proposed to be built within the Municipal Area <p>Strengthen PMU with technical officers (building inspections) to ensure quality and M & E</p> | | | | • |
| To ensure that organisational facilities are provided and maintained, in order to ensure that the Municipality's development mandate can be met | To ensure that adequate office space is provided for Councillors and officials, preferably at one civic centre | <ul style="list-style-type: none"> Conduct survey and Identify suitable land options for civic offices on Council owned land <p>Source funding</p> | | | | • |
| | To ensure that the Eshowe Testing Station is operated effectively and efficiently | <ul style="list-style-type: none"> Capacitate functionary areas Provide office equipment <p>Provide funding for new Testing Station in Eshowe</p> | | | | • |
| To assist with natural disasters | To provide Fire Services for uMlalazi Municipal area | <ul style="list-style-type: none"> Provide funding for vehicles Provide funding for rural satellite fire stations (Mbongolwane and KwaBulawayo) | | | | • |
| | Investigate the possible impact of Climate Change on the Municipal Area | <ul style="list-style-type: none"> Investigate and develop Green Building Policy | | | | • |

KPA 3: LOCAL ECONOMIC DEVELOPMENT

| GOAL | STRATEGY | ACTION | 2013/14 | 2014/2015 | 2015/2016 | DEPARTMENT |
|--------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------|-----------|------------|
| To facilitate economic growth and development, in order to create decent employment and to fight the war against poverty | Functional LED | <ul style="list-style-type: none"> Capacitate Planning and Development Department: - LED Manager <p>Administrative Clerk</p> | | | | • |
| | To contribute towards the development of the Tourism Sector | <ul style="list-style-type: none"> Implement LED Plan including tourism initiatives <p>Prepare Rural Tourism Development Plan</p> | | | | • |
| | To market the Municipal area to attract investment | <ul style="list-style-type: none"> Prioritize infrastructure to tourism areas to allow access and services <p>Review Spatial Development Framework (SDF)</p> | | | | • |

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| | To promote skills development that is aligned with local economic growth | Identify educational institutions to align training in terms of LED and support skills development | | | | • |
| | To contribute towards the development of the Agricultural Sector | <ul style="list-style-type: none"> • Establish partnership with the Dept of Agriculture Support Agricultural Forums | | | | • |
| | To promote industrial development | <ul style="list-style-type: none"> • Prepare Industrial Development Plan for Gingindlovu • Implement Industrial Development Plan for Gingindlovu Market and attract industrial investment in Eshowe | | | | • |
| | To promote the involvement of Women, Youth and the Disabled in LED projects and activities | Facilitate skills development, with assistance from Dept Economic Development and Tourism, of people on database | | | | • |
| | To promote Small Medium and Micro Enterprises ("SMME") Development | <ul style="list-style-type: none"> • Create SMME Database • Facilitate Training and Capacity Building to SMMEs on Municipal Database • Provision of facilities for SMMEs <p>Facilitate the identification of Linkages between products and markets</p> | | | | • |
| | To promote the sustainability and protection of the municipalities natural resources | <ul style="list-style-type: none"> • Land Use Management Scheme for Rural Areas • Mapping and protection, through Rural Land Use Management Scheme, of all environmentally sensitive areas • Review Environmental Management Plan • Implement Environmental Management Plan • Implement Weed Eradication Programme <p>Participate in the management of coast via the Coastal Management Group</p> | | | | • |

| KPA 4: SOCIAL DEVELOPMENT | | | | | | |
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| GOAL | STRATEGY | ACTION | 2013/14 | 2014/2015 | 2015/2016 | DEPARTMENT |
| To ensure that social development is catered for | To facilitate that the needs of child-headed households and vulnerable children are addressed | <ul style="list-style-type: none"> Provide support through the HIV/AIDS Desk Strengthen communication with the Department of Social Development - embrace Sukuma Sakhe | | | | • |
| | To plan and support the acceleration of sustainable human settlements | <ul style="list-style-type: none"> Review Housing Sector Plan Implement Housing Sector Plan | | | | • |
| | To facilitate the development of the youth and early childhood development, with particular focus on Education & Training | <ul style="list-style-type: none"> Identify, through the Youth Desk, indigent youth candidates for skills training and provide financial support Facilitate provision of Early Childhood Development Facilities with Department Social Development | | | | • |
| | To facilitate the social development of marginalised groups | <ul style="list-style-type: none"> Support gender & disabled equity through Disability Desk Participate in Disability Forum | | | | • |
| | To facilitate adequate provisioning and management of community facilities at appropriate locations | Implement Caretakership Programme for all community facilities, as part of EPWP / CWP for job creation | | | | • |
| | To facilitate the implementation of the Operation Sukuma Sakhe Programme (flagship programme) | <ul style="list-style-type: none"> Facilitate the roll-out of the Sukuma Sakhe programme to all wards, through the identification of "special" projects. Ensure war rooms are operational and supported by departments | | | | • |
| | To provide for the Cemetery Needs in the Municipal Area | Facilitate with UDM the development of the Mandawe Regional Cemetery | | | | • |

• KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

| GOAL | STRATEGY | ACTION | 2013/14 | 2014/2015 | 2015/2016 | DEPARTMENT |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------|-----------|------------|
| Good Governance | To reduce Risk to the Organisation | <ul style="list-style-type: none"> • Implement Risk Plan Risk Management training | | | | • |
| | To improve inter-departmental and external (including IGR) communication | <ul style="list-style-type: none"> • Prepare Communication Plan, including IGR • Implement Communication Plan • Investigate the feasibility of (1) merging the telephone switchboard and the emergency control room; and (2) the establishment of a Call Centre. • Implement Feasibility Study Outcomes for (1), (2) and (3) above • Investigate feasibility of establishing a Document Management System <p>Implement Feasibility Study Outcomes for establishing a Document Management System</p> | | | | • |
| | To ensure that the Municipality is striving towards meeting its vision and goals | <ul style="list-style-type: none"> • Review IDP • Review SDF • Review Community Based Plan <p>IDP and Budget Steering Committee align to budget process plan</p> | | | | • |
| | To ensure a corruption-free organisation | <ul style="list-style-type: none"> • Implement Anti-Fraud, Anti-Corruption and Whistle-Blowing Policies <p>Ensure effective and efficient functioning of Municipal Public Accounts Committee (MPAC)</p> | | | | • |
| Public Participation | Ensure that public participation structures are established, capacitated and functional | <ul style="list-style-type: none"> • Invite Stakeholders and establish IDP Forums • Revive Ward Committees <p>Ensure Ward Committees are functional (include training and development)</p> | | | | • |
| | To ensure Customer Satisfaction | Conduct Customer Satisfaction Survey | | | | • |
| International Relation/s | To ensure the continuation of the twinning agreement with Geel Municipality (Belgium) and Songdal Municipality (Norway) | <ul style="list-style-type: none"> • Support knowledge-sharing, best-practices, skills transfer & training in the following areas: <ul style="list-style-type: none"> ○ Finance & Planning ○ Fire Fighting ○ Education ○ LED ○ Cultural Heritage <p>Support twinning with Songdal Municipality (Norway)</p> | ? | | | • |

KPA 6: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

| GOAL | STRATEGY | ACTION | 2013/14 | 2014/2015 | 2015/2016 | DEPARTMENT |
|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------|-----------|--------------------|
| Ensure the Municipal Revenue Streams are optimised | Ensure effective and efficient cash collection from customers | <ul style="list-style-type: none"> • Improve debt collection system – particularly for Gingindlovu and Mtunzini, by providing a dedicated official for this function • Improve cashier functionality at Gingindlovu Office | | | | • |
| | Installation of pre-paid meters for electricity | <ul style="list-style-type: none"> • Replacement of existing conventional meters | R250000 | R250000 | R250000 | • On going process |
| | Appropriate development of municipal-owned land | <ul style="list-style-type: none"> • Prepare Land Use Register for Municipal-owned properties | | | | • |
| | Ensure effective and efficient cash collection from waste transfer stations | <ul style="list-style-type: none"> • Effective waste control to reduce uncontrolled dumping and improve recovery of revenue | | | | • |
| | Correct allocation of service charges for residential properties vs business | <ul style="list-style-type: none"> • Investigate illegal business activity on residential properties • Corrected application of tariff of charge to properties • Town Planning to ascertain and administer activities in terms of PDA | | | | • |
| | Review contracts that enhance revenue collection | <ul style="list-style-type: none"> • Review TMT contract to ensure sustainable and cost effective • Review Conlog system | X | | | • |
| | Investigate new Revenue resources | <ul style="list-style-type: none"> • Conduct study in respect of installation of parking metres • Council land encroachments to be investigated • Advertising and business licences | | | | • |
| Ensure effective and efficient Municipal budgeting and reporting mechanisms, procedures and processes | Ensure effective and efficient Municipal budgeting and reporting mechanisms, procedures and processes | <ul style="list-style-type: none"> • Submit monthly reports in compliance with National Treasury Reporting Requirements | DONE? | | | • |
| Supply chain management | To strengthen the Supply Chain Unit and Processes | <ul style="list-style-type: none"> • Review SCM Policy • Compliance with Statutory Reporting requirements • Provide training and skills development to officials involved in procurement processes | | | | • |

6.2 Breakdown of Operating Expenditure and Capital Expenditure aligned to the IDP

6.2.1 Operating Expenditure

| Details | 2012/2013 (R) | 2013/2014 (R) | 2014/2015 (R) | 2015/2016 (R) |
|-------------------------------------|------------------|------------------|------------------|------------------|
| Community halls maintenance (Rural) | 200 000 | 250 000 | 250 000 | 704 640 |
| Care taking: rural buildings | 0 | 200 000 | 200 000 | 400 000 |
| Youth development | 400 000 | 400 000 | 400 000 | 600 000 |
| Early childhood development | 200 000 | 200 000 | 200 000 | 400 000 |
| Local Economic development (LED) | 2 761 193 | 2 485 840 | 2 899 240 | 3 231 780 |
| Poverty alleviation | 1 450 000 | 1 500 000 | 1 439 420 | 3 026 360 |
| Rural fire prevention | 281 000 | 300 000 | 300 000 | 350 000 |
| Sports development | 500 000 | 400 000 | 400 000 | 800 000 |
| HIV Relief | 400 000 | 422 800 | 500 000 | 800 000 |
| Work Creation projects | 950 000 | 1 000 000 | 1 000 000 | 1 500 000 |
| Rural grounds maintenance | 100 000 | 200 000 | 200 000 | 500 000 |
| Rural roads and causeways | 5 256 000 | 4 612 800 | 5 108 400 | 5 604 000 |
| Increase in Eskom supply | 4 000 000 | 5 537 010 | 5 537 010 | 0 |

6.2.2 Capital Expenditure

Hereunder follows a breakdown of the capital expenditure aligned to the goals and action plans of the IDP:

MIG Allocations for 2013/2014 Financial Year

| Description | | Amount (R) |
|--------------------------------------------------------|---------|-------------------|
| <i>Community Halls</i> | | |
| Sqwanjana community hall | Ward 13 | 1 000 000 |
| <i>Sports fields</i> | | |
| Kwayabu sportsfield | Ward 15 | 1 500 000 |
| Kwabulawayo Sportsfield | Ward 24 | 500 000 |
| <i>Roads/Causeways</i> | | |
| Esifubeni Road | Ward 10 | 2 500 000 |
| Kangela Road Eshowe | Ward 11 | 3 500 000 |
| KDS/Sunnydale Link Road | Ward 12 | 1 595 100 |
| Rehabilitation of Osborn Road | Ward 11 | 2 654 990 |
| Naickerville/Sandlwana High School intersection (D134) | Ward 18 | 1 151 400 |
| Nogobhoza Road | Ward 15 | 2 502 120 |
| Ntenjane Causeway and Road | Ward 13 | 2 000 000 |
| Gciza Road | Ward 17 | 1 584 120 |
| KDS bus route road rehabilitation | Ward 12 | 1 500 000 |
| Retention | | 1 100 000 |
| <i>Other</i> | | |
| New Testing Station | Ward 11 | 700 000 |
| Rehabilitation of Eshowe Landfill Site | Ward 11 | 3 527 270 |
| Total | | 27 315 000 |

7. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

7.1 Hereunder follows the key financial indicators dealing with borrowing management, safety of capital, revenue and creditor management

| Description of financial indicator | Basis of calculation | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | | 2013/14 Medium Term Revenue & Budget Year | | |
|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-------------------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Borrowing Management | | | | | | | | | | | |
| Credit Rating | | | | | | | | | | | |
| Capital Charges to Operating Expenditure | Interest & Principal Paid /Operating Expenditure | 0.2% | 0.6% | 0.7% | 0.6% | 0.5% | 0.5% | 0.5% | 0.5% | 0.4% | 0.4% |
| Capital Charges to Own Revenue | Finance charges & Repayment of borrowing /Own Revenue | 0.3% | 1.0% | 1.2% | 1.1% | 1.0% | 1.0% | 1.0% | 0.9% | 0.8% | 0.8% |
| Borrowed funding of 'own' capital expenditure | Borrowing/Capital expenditure excl. transfers and grants and contributions | 58.5% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Safety of Capital | | | | | | | | | | | |
| Gearing | Long Term Borrowing/ Funds & Reserves | 4.4% | 2.2% | 2.2% | 3.4% | 2.3% | 2.3% | 2.3% | 2.5% | 2.5% | 2.4% |
| Liquidity | | | | | | | | | | | |
| Current Ratio | Current assets/current liabilities | 1.3 | 1.4 | 1.9 | 1.8 | 2.3 | 2.3 | 2.3 | 2.3 | 2.2 | 2.1 |
| Current Ratio adjusted for aged debtors | Current assets less debtors > 90 days/current liabilities | 1.3 | 1.4 | 1.9 | 1.8 | 2.3 | 2.3 | 2.3 | 2.3 | 2.2 | 2.1 |
| Liquidity Ratio | Monetary Assets/Current Liabilities | 0.6 | 0.6 | 1.1 | 0.7 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 0.9 |
| Revenue Management | | | | | | | | | | | |
| Annual Debtors Collection Rate (Payment Level %) | Last 12 Mths Receipts/Last 12 Mths Billing | | 105.9% | 92.3% | 90.6% | 96.7% | 95.3% | 95.3% | 95.3% | 99.1% | 97.3% |
| Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue) | | | 105.8% | 92.9% | 90.6% | 96.7% | 95.3% | 95.3% | 95.3% | 99.1% | 97.3% |
| Outstanding Debtors to Revenue | Total Outstanding Debtors to Annual Revenue | 16.9% | 17.3% | 14.1% | 12.4% | 13.1% | 13.1% | 13.1% | 12.2% | 10.7% | 9.6% |
| Longstanding Debtors Recovered | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old | | | | | | | | | | |
| Creditors Management | | | | | | | | | | | |
| Creditors System Efficiency | % of Creditors Paid Within Terms (within MFMA's 65(e)) | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Creditors to Cash and Investments | | 417.0% | 282.9% | 122.5% | 597.9% | 283.1% | 283.1% | 283.1% | 165.7% | 170.9% | 284.7% |
| Other Indicators | | | | | | | | | | | |
| Electricity Distribution Losses (2) | Total Volume Losses (kW) | 4.7% | 2.9% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| Water Distribution Losses (2) | Total Cost of Losses (Rand '000) | | | | | | | | | | |
| Employee costs | Total Volume Losses (kL) | | | | | | | | | | |
| Remuneration | Employee costs/(Total Revenue - capital revenue) | 34.8% | 32.1% | 31.5% | 30.2% | 28.3% | 28.3% | 28.3% | 30.5% | 30.6% | 30.3% |
| Repairs & Maintenance | Total remuneration/(Total Revenue - capital revenue) | 43.1% | 39.1% | 38.8% | 36.7% | 34.6% | 34.6% | 34.6% | 37.1% | 37.1% | 36.6% |
| Finance charges & Depreciation | R&M/(Total Revenue excluding capital revenue) | 4.0% | 3.5% | 6.1% | 4.4% | 5.1% | 5.1% | 5.1% | 3.0% | 2.9% | 3.1% |
| IDP regulation financial viability indicators | FC&D/(Total Revenue - capital revenue) | 5.8% | 4.9% | 5.0% | 4.9% | 4.4% | 4.4% | 4.4% | 4.5% | 4.3% | 4.1% |
| i. Debt coverage | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) | | 57.9 | 48.7 | 95.6 | 70.6 | 70.6 | 70.6 | 77.6 | 84.6 | 93.1 |
| ii.O/S Service Debtors to Revenue | Total outstanding service debtors/annual revenue received for services (Available cash + Investments)/monthly fixed operational expenditure | 28.8% | 29.2% | 26.3% | 25.5% | 27.3% | 27.3% | 27.3% | 23.5% | 20.5% | 18.1% |
| iii. Cost coverage | | 0.4 | 0.4 | 0.7 | 0.1 | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.1 |

7.2 Hereunder follows the Financial indicators for Revenue by source and Expenditure by Type

| Description R thousand | Ref | Budget Year 2013/14 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|----------------------------------------------------------------------|----------|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------------------------------------|---------------------------|---------------------------|
| | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Revenue By Source | | | | | | | | | | | | | | | | |
| Property rates | | 2 752 | 2 752 | 2 752 | 2 752 | 2 752 | 2 752 | 2 752 | 2 752 | 2 752 | 2 752 | 2 752 | 2 752 | 33 019 | 34 683 | 36 598 |
| Property rates - penalties & collection charges | | 69 | 69 | 69 | 69 | 69 | 69 | 69 | 69 | 69 | 69 | 69 | 69 | 825 | 867 | 910 |
| Service charges - electricity revenue | | 4 720 | 4 720 | 4 720 | 4 720 | 4 720 | 4 720 | 4 720 | 4 720 | 4 720 | 4 720 | 4 720 | 4 720 | 56 636 | 63 767 | 72 904 |
| Service charges - refuse revenue | | 755 | 755 | 755 | 755 | 755 | 755 | 755 | 755 | 755 | 755 | 755 | 755 | 9 058 | 9 692 | 10 371 |
| Rental of facilities and equipment | | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 1 267 | 1 333 | 1 398 |
| Interest earned - external investment: | | 92 | 92 | 92 | 92 | 92 | 92 | 92 | 92 | 92 | 92 | 92 | 92 | 1 100 | 1 100 | 1 100 |
| Fines | | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 3 604 | 3 788 | 3 974 |
| Licences and permits | | 296 | 296 | 296 | 296 | 296 | 296 | 296 | 296 | 296 | 296 | 296 | 296 | 3 551 | 3 732 | 3 915 |
| Transfers recognised - operational | | 7 908 | 7 908 | 7 908 | 7 908 | 7 908 | 7 908 | 7 908 | 7 908 | 7 908 | 7 908 | 7 908 | 7 908 | 94 900 | 102 899 | 111 389 |
| Other revenue | | 230 | 230 | 230 | 230 | 230 | 230 | 230 | 230 | 230 | 230 | 230 | 230 | 2 760 | 2 851 | 2 942 |
| Gains on disposal of PPE | | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 200 | 200 | 200 |
| Total Revenue (excluding capital transfers and contributions) | | 17 243 | 17 243 | 17 243 | 17 243 | 17 243 | 17 243 | 17 243 | 17 243 | 17 243 | 17 243 | 17 243 | 17 243 | 206 921 | 224 913 | 245 700 |
| Expenditure By Type | | | | | | | | | | | | | | | | |
| Employee related costs | | 5 260 | 5 260 | 5 260 | 5 260 | 5 260 | 5 260 | 5 260 | 5 260 | 5 260 | 5 260 | 5 260 | 5 260 | 63 115 | 68 920 | 74 437 |
| Remuneration of councillors | | 1 135 | 1 135 | 1 135 | 1 135 | 1 135 | 1 135 | 1 135 | 1 135 | 1 135 | 1 135 | 1 135 | 1 135 | 13 615 | 14 521 | 15 491 |
| Debt impairment | | 114 | 114 | 114 | 114 | 114 | 114 | 114 | 114 | 114 | 114 | 114 | 114 | 1 364 | 1 433 | 1 503 |
| Depreciation & asset impairment | | 712 | 712 | 712 | 712 | 712 | 712 | 712 | 712 | 712 | 712 | 712 | 712 | 8 547 | 8 983 | 9 423 |
| Finance charges | | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 58 | 698 | 657 | 689 |
| Bulk purchases | | 3 448 | 3 448 | 3 448 | 3 448 | 3 448 | 3 448 | 3 448 | 3 448 | 3 448 | 3 448 | 3 448 | 3 448 | 41 373 | 47 993 | 55 672 |
| Contracted services | | 1 589 | 1 589 | 1 589 | 1 589 | 1 589 | 1 589 | 1 589 | 1 589 | 1 589 | 1 589 | 1 589 | 1 589 | 19 073 | 20 913 | 23 323 |
| Transfers and grants | | 259 | 259 | 259 | 259 | 259 | 259 | 259 | 259 | 259 | 259 | 259 | 259 | 3 110 | 3 319 | 3 554 |
| Other expenditure | | 4 664 | 4 664 | 4 664 | 4 664 | 4 664 | 4 664 | 4 664 | 4 664 | 4 664 | 4 664 | 4 664 | 4 664 | 55 970 | 58 147 | 61 557 |
| Loss on disposal of PPE | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure | | 17 239 | 17 239 | 17 239 | 17 239 | 17 239 | 17 239 | 17 239 | 17 239 | 17 239 | 17 239 | 17 239 | 17 239 | 206 864 | 224 885 | 245 648 |
| Surplus/(Deficit) | | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 57 | 28 | 52 |
| Transfers recognised - capita | | | | | | | | | | | | | | - | - | - |
| Contributions recognised - capita | | | | | | | | | | | | | | - | - | - |
| Contributed assets | | | | | | | | | | | | | | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 57 | 28 | 52 |
| Taxation | | | | | | | | | | | | | | - | - | - |
| Attributable to minorities: | | | | | | | | | | | | | | - | - | - |
| Share of surplus/ (deficit) of associate | | | | | | | | | | | | | | - | - | - |
| Surplus/(Deficit) | 1 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 57 | 28 | 52 |

7.3 Hereunder follows the measurable performance objectives for revenue and operating expenditure by vote

| R thousand | Description | Ref | Budget Year 2013/14 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|-----------------------------------------------|-------------|-----|---------------------|--------|--------|---------|----------|----------|---------|----------|--------|--------|--------|--------|-----------------------------------------------|------------------------|------------------------|
| | | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Revenue by Vote | | | | | | | | | | | | | | | | | |
| Vote 1 - EXECUTIVE AND COUNCIL | | | 7 601 | 7 601 | 7 601 | 7 601 | 7 601 | 7 601 | 7 601 | 7 601 | 7 601 | 7 601 | 7 601 | 7 601 | 91 210 | 99 971 | 111 316 |
| Vote 2 - BUDGET AND TREASURY OFFICE | | | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 2 656 | 2 702 | 2 749 |
| Vote 3 - CORPORATE SERVICES | | | 81 | 81 | 81 | 81 | 81 | 81 | 81 | 81 | 81 | 81 | 81 | 81 | 970 | 996 | 1 677 |
| Vote 4 - PLANNING AND DEVELOPMENT | | | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 1 505 | 1 520 | 1 636 |
| Vote 5 - HEALTH | | | 165 | 165 | 165 | 165 | 165 | 165 | 165 | 165 | 165 | 165 | 165 | 165 | 1 980 | 2 101 | 2 830 |
| Vote 6 - COMMUNITY AND SOCIAL SERVICES | | | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 3 268 | 3 438 | 3 623 |
| Vote 7 - HOUSING | | | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 134 | 140 | 147 |
| Vote 8 - PUBLIC SAFETY | | | 409 | 409 | 409 | 409 | 409 | 409 | 409 | 409 | 409 | 409 | 409 | 409 | 4 903 | 5 038 | 5 583 |
| Vote 9 - SPORTS AND RECREATION | | | 239 | 239 | 239 | 239 | 239 | 239 | 239 | 239 | 239 | 239 | 239 | 239 | 2 864 | 2 951 | 3 836 |
| Vote 10 - WASTE MANAGEMENT | | | 1 097 | 1 097 | 1 097 | 1 097 | 1 097 | 1 097 | 1 097 | 1 097 | 1 097 | 1 097 | 1 097 | 1 097 | 13 169 | 13 874 | 14 684 |
| Vote 11 - ROAD TRANSPORT | | | 679 | 679 | 679 | 679 | 679 | 679 | 679 | 679 | 679 | 679 | 679 | 679 | 8 151 | 8 827 | 9 505 |
| Vote 12 - ELECTRICITY | | | 6 343 | 6 343 | 6 343 | 6 343 | 6 343 | 6 343 | 6 343 | 6 343 | 6 343 | 6 343 | 6 343 | 6 343 | 76 111 | 83 355 | 88 113 |
| Vote 13 - AIR TRANSPORT | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - WORKSHOP | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue by Vote | | | 17 243 | 17 243 | 17 243 | 17 243 | 17 243 | 17 243 | 17 243 | 17 243 | 17 243 | 17 243 | 17 243 | 17 243 | 206 921 | 224 913 | 245 700 |
| Expenditure by Vote to be appropriated | | | | | | | | | | | | | | | | | |
| Vote 1 - EXECUTIVE AND COUNCIL | | | 3 968 | 3 968 | 3 968 | 3 968 | 3 968 | 3 968 | 3 968 | 3 968 | 3 968 | 3 968 | 3 968 | 3 968 | 47 621 | 51 367 | 59 046 |
| Vote 2 - BUDGET AND TREASURY OFFICE | | | 941 | 941 | 941 | 941 | 941 | 941 | 941 | 941 | 941 | 941 | 941 | 941 | 11 291 | 12 057 | 12 789 |
| Vote 3 - CORPORATE SERVICES | | | 632 | 632 | 632 | 632 | 632 | 632 | 632 | 632 | 632 | 632 | 632 | 632 | 7 584 | 8 139 | 9 360 |
| Vote 4 - PLANNING AND DEVELOPMENT | | | 277 | 277 | 277 | 277 | 277 | 277 | 277 | 277 | 277 | 277 | 277 | 277 | 3 320 | 3 451 | 3 690 |
| Vote 5 - HEALTH | | | 339 | 339 | 339 | 339 | 339 | 339 | 339 | 339 | 339 | 339 | 339 | 339 | 4 070 | 4 614 | 5 560 |
| Vote 6 - COMMUNITY AND SOCIAL SERVICES | | | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 3 269 | 3 520 | 3 786 |
| Vote 7 - HOUSING | | | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 135 | 142 | 149 |
| Vote 8 - PUBLIC SAFETY | | | 1 585 | 1 585 | 1 585 | 1 585 | 1 585 | 1 585 | 1 585 | 1 585 | 1 585 | 1 585 | 1 585 | 1 585 | 19 026 | 20 344 | 22 110 |
| Vote 9 - SPORTS AND RECREATION | | | 858 | 858 | 858 | 858 | 858 | 858 | 858 | 858 | 858 | 858 | 858 | 858 | 10 292 | 10 943 | 12 399 |
| Vote 10 - WASTE MANAGEMENT | | | 1 329 | 1 329 | 1 329 | 1 329 | 1 329 | 1 329 | 1 329 | 1 329 | 1 329 | 1 329 | 1 329 | 1 329 | 15 946 | 17 173 | 18 290 |
| Vote 11 - ROAD TRANSPORT | | | 1 050 | 1 050 | 1 050 | 1 050 | 1 050 | 1 050 | 1 050 | 1 050 | 1 050 | 1 050 | 1 050 | 1 050 | 12 603 | 13 846 | 15 081 |
| Vote 12 - ELECTRICITY | | | 5 932 | 5 932 | 5 932 | 5 932 | 5 932 | 5 932 | 5 932 | 5 932 | 5 932 | 5 932 | 5 932 | 5 932 | 71 183 | 78 730 | 82 791 |
| Vote 13 - AIR TRANSPORT | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 12 | 13 | 14 |
| Vote 14 - WORKSHOP | | | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 512 | 546 | 583 |
| Total Expenditure by Vote | | | 17 239 | 17 239 | 17 239 | 17 239 | 17 239 | 17 239 | 17 239 | 17 239 | 17 239 | 17 239 | 17 239 | 17 239 | 206 864 | 224 885 | 245 648 |
| Surplus/(Deficit) before assoc. | | | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 57 | 28 | 52 |
| Taxation | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Attributable to minorities | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Share of surplus/ (deficit) of associate | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) | | | 1 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 57 | 28 | 52 |

7.4 Hereunder follows the measurable performance objectives for capital by vote

| Description R thousand | Ref | Budget Year 2013/14 | | | | | | | | | | | | Medium Term Revenue and Expenditure | | | | |
|--------------------------------------------------|-----|---------------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|-------------------------------------|---------------------------|---------------------------|--------|--------|
| | | July | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 | | |
| Multi-year expenditure to be appropriated | 1 | | | | | | | | | | | | | | | | | |
| Vote 1 - EXECUTIVE AND COUNCIL | | | | 930 | 50 | | 25 | | | | | | | - | 1 005 | 37 | 45 | |
| Vote 2 - BUDGET AND TREASURY OFFICE | | | | 40 | 89 | 48 | 22 | | | | | | | - | 293 | 242 | 325 | |
| Vote 3 - CORPORATE SERVICES | | | | 560 | 410 | 460 | 485 | | | | | | | - | 2 330 | 1 070 | 14 025 | |
| Vote 4 - PLANNING AND DEVELOPMENT | | | | | 80 | | | | | | | | | - | 80 | - | - | |
| Vote 5 - HEALTH | | | | 15 | | | | | | | | | | - | 15 | 5 | 10 | |
| Vote 6 - COMMUNITY AND SOCIAL SERVICES | | | | | | | 100 | | | | | | | - | 420 | 1 272 | 6 320 | |
| Vote 7 - HOUSING | | | | | | | | | | | | | | - | - | - | - | |
| Vote 8 - PUBLIC SAFETY | | | | 480 | 35 | | 300 | | | | | | | - | 820 | 865 | 507 | |
| Vote 9 - SPORTS AND RECREATION | | | | 590 | 300 | 350 | 300 | | | | | | | - | 2 640 | 3 517 | 2 260 | |
| Vote 10 - WASTE MANAGEMENT | | | | 500 | 500 | 545 | 527 | | | | | | | - | 4 062 | 200 | 770 | |
| Vote 11 - ROAD TRANSPORT | | | | 532 | 737 | 1 926 | 2 401 | 2 931 | 3 403 | 600 | 4 835 | 4 100 | 1 282 | 1 131 | 4 631 | 28 510 | 26 010 | 21 020 |
| Vote 12 - ELECTRICITY | | | | | 100 | 315 | 798 | 60 | 25 | 25 | 45 | 45 | 25 | | - | 1 438 | 2 293 | 2 227 |
| Vote 13 - AIR TRANSPORT | | | | | | | | | | | | | | - | - | - | - | |
| Vote 14 - WORKSHOP | | | | | | | 260 | | | | | | | - | 260 | - | - | |
| Capital multi-year expenditure sub-total | 2 | 1 032 | 1 337 | 6 106 | 4 663 | 4 394 | 5 188 | 677 | 6 037 | 5 045 | 1 632 | 1 131 | 4 631 | 41 874 | 35 510 | 47 509 | | |
| Total Capital Expenditure | 2 | 1 032 | 1 337 | 6 106 | 4 663 | 4 394 | 5 188 | 677 | 6 037 | 5 045 | 1 632 | 1 131 | 4 631 | 41 874 | 35 510 | 47 509 | | |

8. OVERVIEW OF BUDGET – RELATED POLICIES

8.1 This section gives a broad overview of the budget policy framework and highlights the amended policies to be approved by Council Resolution.

| NAME OF POLICY | LAST DATE OF APPROVAL | NEW ADOPTION DATE | STATUS |
|-----------------------------------------|----------------------------------------|-------------------|----------|
| Credit Control & Debt Collection Policy | 30/05/2001 (Special Exco 252/00/01) | 25/05/2010 | Amended |
| Tariff Policy | 01/06/2007 (Exco 01/06/07) | | Reviewed |
| Property Rates Policy | 05/09/2005 (Exco 95/05/00) | 25/05/2010 | Amended |
| Investment Policy | 07/11/2005 (Exco 157/05/06) | | Reviewed |
| Risk Management Policy | 07/07/2008 (Exco 18/5/09) | | Reviewed |
| Indigent Support Policy | 01/03/2004 (Exco 337/05/04) | 25/05/2010 | Amended |
| Supply Chain Management Policy | (Exco 27/12/13) | 04/07/2012 | Reviewed |
| Budget Policy | Min. no UMC 12/12/13 | 05/10/2012 | New |

The above mentioned policies can be reviewed on the Council's official website, and can also be obtained on request from the Council's offices.

8.2 The following amendments of the policies are tabled for consideration:

8.2.1 Rates Policy

8.2.1.1 CHAPTER 2-LEVYING OF RATES

CLAUSE 9 (EXEMPTIONS AND REBATES FROM RATES)

The following clause currently reads as follows:

9.3 The following categories of owners of residential properties shall additionally receive the following rebates on the rates due in respect of such properties after deducting the rebate applicable to residential properties:

9.3.2 *Property owners who are both the permanent occupants and the sole owners of the property concerned and who belong to one of the following categories:

(a) A ratepayer older than 65 years of age;

(b) A bona fide pensioner under 65 years of age;

(c) A ratepayer under 65 years of age, but has been retired from employment by reason of illness or disability; and

d) whose total household income is as follows:

(i) a single person receiving a total income of R5 100,00 per month or less

100% of the rates based on the rateable value up to R75 000.00 and 40% of the rates based on the rateable value above R75 000.00.

(ii) a married couple receiving a joint monthly income of R6 360,00 per month or less.

(iii) a single person receiving a total income of R5101,00 and more per month.

100% of the rates based on the rateable value up to R75 000.00 and 20% of the rates based on the rateable value above R75 000.00.

(iv) a married couple receiving a joint monthly income of R6361 and more per month.

To be replaced by:

9.3 The following categories of owners of residential properties shall additionally receive the following rebates on the rates due in respect of such properties after deducting the rebate applicable to residential properties:

9.3.2 *Property owners who are both the permanent occupants and the sole owners of the property concerned and who belong to one of the following categories:

(a) A ratepayer older than 60 years of age;

(b) A bona fide pensioner under 60 years of age;

(c) A ratepayer under 60 years of age, but has been retired from employment by reason of illness or disability; and

d) whose total household income is as follows:

(i) a single person receiving a total income of R5 390,00 per month or less

100% of the rates based on the rateable value up to R75 000.00 and 40% of the rates based on the rateable value above R75 000.00.

(ii) a married couple receiving a joint monthly income of R6 720,00 per month or less.

(iii) a single person receiving a total income of R5 391,00 and more per month.

100% of the rates based on the rateable value up to R75 000.00 and 20% of the rates based on the rateable value above R75 000.00.

(iv) a married couple receiving a joint monthly income of R6 721,00 and more per month.

9. OVERVIEW OF BUDGET ASSUMPTIONS

9.1 In January 2010, Cabinet adopted 12 outcomes within which to frame public service delivery priorities and targets. Cabinet ministers have signed performance agreements linked to these outcomes. More detailed delivery agreements have since been developed to extend targets and responsibilities to national and provincial departments, agencies and municipalities.

The municipality is expected to take the 12 outcomes into consideration when reviewing the IDP and developing the annual Budget for the 2013/2014 MTREF. Hereunder follows the 12 outcomes, together with examples of areas where the municipality have a role to play in either contributing directly to the realization of the outcomes or facilitating the work of national and provincial departments in realizing them.

12 Outcomes of Government-role of Local Government

| No | Description | Role of Local Government |
|----|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Improve the quality of basic education | <ul style="list-style-type: none"> • Facilitate the building of new schools by: - Participating in needs assessments - Identifying appropriate land - Facilitating zoning and planning processes • Facilitate the eradication of municipal service backlogs in schools by extending appropriate bulk infrastructure and installing connections |
| 2 | Improve health and life expectancy | <ul style="list-style-type: none"> • Many municipalities perform health functions on behalf of provinces • Strengthen effectiveness of health services by specifically enhancing TB treatments and expanding HIV and AIDS prevention and treatments. • Municipalities must continue to improve Community Health Service infrastructure by providing clean water, sanitation and waste removal services. |
| 3 | All people in South Africa protected and feel safe | <ul style="list-style-type: none"> • Facilitate the development of safer communities through better planning and enforcement of municipal by laws. • Direct the traffic control function towards policing high risk violations-rather than revenue collection • Metro police services should contribute by: <ul style="list-style-type: none"> - Increasing police personnel - Improving collaboration with SAPS - Ensuring rapid response to reported crimes |
| 4 | Decent employment through inclusive economic growth | <ul style="list-style-type: none"> • Create an enabling environment for investment by streamlining planning application processes. • Ensure proper maintenance and rehabilitation of essential services infrastructure. • Ensure proper implementation of the EPWP at municipal level • Design service delivery processes to be labour intensive • Improve procurement systems to eliminate corruption and ensure value for money • Utilize community structures to provide services |
| 5 | A skilled and capable workforce to support inclusive growth | <ul style="list-style-type: none"> • Develop and extend intern and work experience programmes in municipalities. • Link municipal procurement to skills development initiatives |

| | | |
|----|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6 | An efficient, competitive and responsive economic infrastructure network | <ul style="list-style-type: none"> • Ring-fence water, electricity and sanitation functions so as to facilitate cost-reflecting pricing of these services • Ensure urban spatial plans provide for commuter rail corridors, as well as other modes of public transport • Maintain and expand water purification works and waste water treatment works in line with growing demand • Cities to prepare to receive the devolved public transport function • Improve maintenance of municipal road networks. |
| 7 | Vibrant, equitable and sustainable rural communities and food security | <ul style="list-style-type: none"> • Facilitate the development of local markets for agricultural produce • Improve transport links with urban centres so as to ensure better economic integration • Promote home production to enhance food security • Ensure effective spending of grants for funding extension of access to basic services. |
| 8 | Sustainable human settlements and improved quality of household life | <ul style="list-style-type: none"> • Cities must prepare to be accredited for the housing function. • Develop spatial plans to ensure new housing developments are in line with national policy on integrated human settlements • Participate in the identification of suitable land for social housing. • Ensure capital budgets are appropriately prioritized to maintain existing services and extend services. |
| 9 | A responsive and, accountable, effective and efficient local government system | <ul style="list-style-type: none"> • Adopt IDP planning processes appropriate to the capacity and sophistication of the municipality • Implement the community work programme • Ensure ward committees are representative and fully involved in community consultation processes around the IDP, budget and other strategic service delivery issues. • Improve municipal financial and administrative capacity by implementing competency norms and standards and acting against incompetence and corruption. |
| 10 | Protection and enhancement of environmental assets and natural resources | <ul style="list-style-type: none"> • Develop and implement water management plans to reduce water losses. • Ensure effective maintenance and rehabilitation of infrastructure • Run water and electricity saving awareness campaigns • Ensure proper management of municipal commonage and urban open spaces • Ensure development does not take place on wetlands. |

| | | |
|----|-------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11 | A better South Africa, a better and safer Africa and world | <ul style="list-style-type: none"> • Role of Local Government is fairly limited in this area. Must concentrate on: <ul style="list-style-type: none"> - Ensuring basic infrastructure is in place and properly maintained. - Creating an enabling environment for investment. |
| 12 | A development-orientated public service and inclusive citizenship | <ul style="list-style-type: none"> • Continue to develop performance monitoring and management systems. • Comply with legal financial reporting requirements • Review municipal expenditures to eliminate wastage • Ensure councils behave in ways to restore community trust in Local Government. |

9.2 The following budget assumptions have a major influence on the annual budget:

- It will take some time for the economic upturn to flow through to increased municipal revenues and better cash flows.
- The revenue stream of the Council will stay under pressure for the next three to four quarters in 2013.
- The increased high cost to move waste from the refuse transfer stations, to the regional refuse site.
- The excessive increases in the tariffs of bulk electricity purchases in the next three budget years, are putting pressure on the Council's draft operating expenditure budget.
- The increases in property rates and other tariffs are likely to be counter productive, resulting in higher levels of non payment and increased bad debts.

10. Overview of Budget funding

10.1 Medium term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

| Description | 2013/2014 Medium Term Revenue & Expenditure Framework | | | | | |
|--------------------------------------------------------------------------------|-------------------------------------------------------|------------|--------------------------|------------|--------------------------|------------|
| | Budget Year 2013/2014 | % | Budget Year 2014/2015 | % | Budget Year 2015/2016 | % |
| Property rates | 33 844 420 | 16 | 35 550 600 | 16 | 37 507 490 | 15 |
| Service charges | 65 694 600 | 32 | 73 459 300 | 33 | 83 275 000 | 34 |
| Investment revenue | 1 100 000 | 0 | 1 100 000 | 0 | 1 100 000 | 0 |
| Transfers recognised-operational | 94 900 480 | 46 | 102 898 610 | 46 | 111 389 000 | 45 |
| Other own revenue | 11 381 780 | 6 | 11 904 520 | 5 | 12 428 830 | 5 |
| Total Operating Revenue (excluding capital transfers and contributions) | 206 921 280 | 100 | 224 913 030 | 100 | 245 700 320 | 100 |
| Total Operating Expenditure | 206 863 930 | | 224 885 380 | | 245 648 070 | |
| Surplus/(Deficit) | 56 700 | | 27 650 | | 52 250 | |

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the provision of goods and services such as electricity, and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc)

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 95 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirement;
- The Property Rates Policy in terms of the Municipal Property Rates Act,2004 (Act 6 of 2004)(MPRA), and
- The ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2013/2014 MTREF on the different revenue categories are:

| Revenue category | 2013/2014 proposed tariff increase | 2014/2015 proposed tariff increase | 2015/2016 proposed tariff increase | 2013/2014 additional revenue for each 1% tariff increase | 2013/2014 additional revenue owing to % tariff increase | 2013/2014 Total Budgeted revenue |
|------------------|------------------------------------|------------------------------------|------------------------------------|----------------------------------------------------------|---------------------------------------------------------|----------------------------------|
| Property rates | 5.7% | 5.1% | 4.9% | 338 444 | 2 267 575 | 33 844 420 |
| Solid waste | 10% | 10% | 10% | 90 584 | 996 424 | 9 058 400 |
| Electricity | 15.8% | 11.8% | 14.6% | 566 362 | 8 948 520 | 56 636 200 |
| Total | | | | 995 390 | 12 212 519 | 99 539 020 |

Revenue to be generated from property rates is R33 844 420 in the 2013/2014 financial year and increase to R37 507 490 by 2015/2016 which represents 16 per cent of the operating revenue base of the municipality. It remains relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

The Municipality is still in a process of further data verification and validation relating to the valuation roll. In addition there are still outstanding objections, although significant progress was made in dealing with these objections in the 2012/2013 financial year. It is anticipated that the process will be concluded by the end of 2013.

Service charges relating to electricity, and refuse removal constitutes the second biggest component of the revenue basket of the municipality totaling R65 694 600 for the 2013/2014 financial year and increasing to R83 275 000 by 2015/2016. For the 2013/2014 financial year service charges amount to 32 per cent of the total revenue base and grows by 1 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity.

Operational grants and subsidies amount to R94 900 480, R102 898 610 and R111 389 000 for each of the respective financial years of the MTREF, or 46, 46 and 45 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government are the biggest component of the revenue basket.

Investment revenue contributes marginally to the revenue base of the municipality with a budget allocation of R1 100 000, R 1 100 000 and R1 100 000 for the respective three financial years of the 2013/2014 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted surplus of R56 700, R27 650 and R52 250 in each of the financial years.

10.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2013/2014 medium-term capital programme:

| Vote Description R thousands | 2013/2014 Medium Term Revenue & Expenditure Framework | | | | | | Budget Year +2 2015/2016 | % |
|--------------------------------------|-------------------------------------------------------|-----|-----------------------------|-----|--------------------------------|-----|--------------------------------|------|
| | Budget Year 2012/2013 | % | Budget Year 2013/2014 | % | Budget Year +1 2014/2015 | % | | |
| <u>Funded By:</u> | | | | | | | | |
| National Government | 39 543 627 | 80 | 38 374 000 | 92 | 35 510 086 | 100 | 47 509 000 | 100% |
| Provincial Government | 1 067 708 | 2 | | | | | | |
| Transfers recognized -capital | 40 611 335 | 82 | 38 374 000 | 92 | 35 510 086 | 100 | 47 509 000 | 100% |
| Public contributions & donations. | | | | | | | | |
| Borrowing internally generated funds | 9 097 596 | 18 | 3 500 000 | 8 | 0 | 0 | 0 | 0 |
| Total Capital Funding | 49 708 931 | 100 | 41 874 000 | 100 | 35 510 086 | 100 | 47 509 000 | 100% |

Capital grants and receipts equates to 100% of the total funding source.

The following table is a breakdown of the capital transfers and grants:

| Description R thousand | 2009/10 | 2010/11 | 2011/12 | 2012/2013 | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|----------------------------------------------------------------------------|-----------------|-----------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
| | Audited Outcome | Audited Outcome | Audited Outcome | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Capital Transfers and Grants | | | | | | | |
| National Government: | 30 530 | 22 488 | 38 577 | 39 543 | 38 374 | 35 510 | 47 509 |
| Municipal Infrastructure Grant (MIG) | 24 710 | 16 910 | 29 028 | 29 170 | 27 315 | 24 353 | 36 000 |
| Equitable Share | 5 819 | 5 578 | 9 549 | 10 373 | 11 059 | 11 157 | 11 509 |
| Provincial Government: | | | | 1 068 | | | |
| Other capital transfers/grants [insert description] Establishment of pound | | | | 1 068 | | | |
| District Municipality: | 47 | | | | | | |
| <i>Uthungulu District Municipality</i> | 47 | | | | | | |
| Other grant providers: | 15 970 | 922 | 660 | | | | |
| <i>Department Of Sports and Recreation</i> | 261 | | | | | | |
| <i>Project Consolidate</i> | 1 451 | | | | | | |
| <i>Library Services</i> | 1 596 | 922 | 660 | | | | |
| <i>Department Of Minerals & Energy</i> | 7 172 | | | | | | |
| <i>Department of Economic Development</i> | 5 490 | | | | | | |
| <i>Development Bank of South Africa</i> | | | | | | | |
| Total Capital Transfers and Grants | 46 547 | 23 410 | 39 237 | 40 611 | 38 374 | 35 510 | 47 509 |

10.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councilors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provided for as cash flow based on actual performance. In other words the actual collection rate of billed revenue, and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Budgeted cash flow statement

| | Audited 2009/2010 | Audited 2010/2011 | Audited 2011/2012 | Forecast 2012/2013 | Budget 2013/2014 | Budget 2014/2015 | Budget 2015/2016 |
|--------------------------------------------------|----------------------|----------------------|----------------------|-----------------------|---------------------|---------------------|---------------------|
| CASHFLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| <u>Receipts</u> | | | | | | | |
| Ratepayers and other Government-operating | 85 536 | 89 715 | 100 619 | 95 873 | 109 721 | 117 497 | 121 107 |
| Government-capital | 46 110 | 57 516 | 69 774 | 99 464 | 95 350 | 102 899 | 111 389 |
| Interest | 34 364 | 21 843 | 30 244 | 35 844 | 27 315 | 24 353 | 36 000 |
| <u>Payments</u> | | | | | | | |
| Suppliers and employees | -117 488 | -149 621 | -173 203 | -193 681 | -197 347 | -212 175 | -231 251 |
| Finance charges | -149 | -643 | -770 | -712 | -698 | -657 | -689 |
| Transfers and grants | -335 | -399 | -2 572 | -2 718 | -3 110 | -3 319 | -3 554 |
| NET CASH FROM (USED) OPERATING ACTIVITIES | 48 934 | 19 485 | 25 760 | 35 170 | 32 331 | 29 698 | 34 102 |
| CASHFLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| <u>Receipts</u> | | | | | | | |
| Proceeds on disposal of PPE | 228 | 730 | 2 513 | 200 | 200 | 200 | 200 |
| Decrease (increase) in non-current debtors | 23 | -499 | | -41 | -3 | -3 | 69 |
| Decrease (increase) other non-current debtors | | | | | | | |
| Decrease (increase) in non-current investments | | | | | | | |
| <u>Payments</u> | | | | | | | |
| Capital assets | -46 546 | -21 543 | -24 658 | -39 767 | -31 068 | -30 184 | -35 632 |
| NET CASH FROM (USED) INVESTING ACTIVITIES | -46 295 | -21 312 | -22 145 | -39 608 | -30 871 | -29 987 | -35 363 |
| CASHFLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| <u>Receipts</u> | | | | | | | |
| Borrowing long term/refinancing | 3 209 | 2 575 | | | | | |
| Increase(decrease) in consumer deposits | 48 | 203 | 119 | 230 | 160 | 190 | 174 |
| <u>Payments</u> | | | | | | | |
| Repayment of borrowing | -79 | -329 | -343 | -343 | -343 | -343 | -343 |
| NET CASH FROM (USED) INVESTING ACTIVITIES | 3 178 | 2 449 | -224 | -113 | -183 | -153 | -169 |
| NET INCREASE/(DECREASE) IN CASH HELD | 5 817 | 622 | | | 1 277 | -442 | -1 430 |
| Cash/cash equivalents at the year begin | -2 307 | 3 510 | 3 391 | 7 522 | 2 971 | 4 248 | 3 806 |
| Cash/cash equivalents at the year end | 3 510 | 4 132 | 7 522 | 2 971 | 4 248 | 3 806 | 2 376 |

The above table shows that cash and cash equivalents of the municipality decreases between the 2009/2010 and 2012/2013 financial year, moving from a cash balance of R3 510 000 to a balance of R2 971 000 with the 2012/2013 forecast.

Various cost efficiencies and savings had to be realized during this period to ensure the municipality could meet its operational expenditure commitments. For the 2013/2014 MTREF the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term.

10.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (application>cash and investments) is indicative of non compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyze trends to understand the consequences, eg. The budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Cash backed reserves /accumulated surplus reconciliation

| | Audited 2009/2010 | Audited 2010/2011 | Audited 2011/2012 | Forecast 2012/2013 | Budget 2013/2014 | Budget 2014/2015 | Budget 2015/2016 |
|--------------------------------------------------|----------------------|----------------------|----------------------|-----------------------|---------------------|---------------------|---------------------|
| Cash and investment available | | | | | | | |
| Cash/cash equivalents at the year end | 3 510 | 4 132 | 7 522 | 2 971 | 4 248 | 3 806 | 2 376 |
| Other current investments >90 days | 15 440 | 17 025 | 30 025 | 16 174 | 14 940 | 15 936 | 17 158 |
| Non current assets-investments | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Total cash and investments available | 18 951 | 21 158 | 37 549 | 14 682 | 19 189 | 19 743 | 19 535 |
| Application of cash and investments | | | | | | | |
| Unspent conditional grants | 14 111 | 16 032 | 5 927 | 5 611 | 4 564 | 4 792 | 4 552 |
| Unspent Borrowing | 3 755 | 5 828 | 5 828 | 5 142 | 4 799 | 4 456 | 4 113 |
| Statutory requirements (VAT) | 386 | 1 547 | 513 | 900 | 1 100 | 1 000 | 750 |
| Other working capital requirements | -8 166 | -13 248 | -12 578 | -14 534 | -17 877 | -16 984 | -14 677 |
| Other provisions | 603 | 820 | 23 524 | 830 | 5 087 | 5 894 | 6 575 |
| Reserves to be backed by cash/investments | 11 839 | 13 519 | 11 651 | 14 438 | 15 268 | 15 879 | 17 130 |
| Total application of cash and investments | 22 528 | 24 498 | 34 865 | 12 387 | 12 941 | 15 037 | 18 443 |
| Surplus/(Shortfall) | -3 577 | -3 340 | 2 683 | 2 295 | 6 248 | 4 706 | 1 092 |

From the above table it can be seen that the cash and investments available total R19 189 000 in the 2013/2014 financial year and progressively increase to R19 535 000 by 2015/2016, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. During the 2012/2013 financial year the municipality was required to supply National Treasury with a detailed analysis of the unspent grants. For the 2013/2014 financial year provision has been made for this liability.
- Provisions for statutory requirements include VAT owing to timing differences resulting from year-end obligations. The liability in this regard totaled for the 2013/2014 financial year.
- Against other provisions an amount R5 087 000 has been provided for the 2013/2014 financial year and this increases to R6 575 000 by 2015/2016. This liability is informed by, amongst others, the commuting of staff leave.
- A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its creditor obligations.

It can be concluded that the municipality's level of non cash-backing progressively improved over the period 2009/2010 to 2012/2013. The 2013/2014 MTREF has been informed by ensuring the financial plan meets the minimum requirements of the MFMA. However, from a practical perspective it would not be possible to eradicate this deficit in one financial year hence the phased approach over the MTREF. Nevertheless from a pure cash flow perspective (cash out flow versus cash inflow) the budget is funded and is therefore credible. The challenge for the municipality will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

10.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are obtained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Funding measurement

| Description | 2009/10 | 2010/11 | 2011/2012 | 2012/2013 | 2012/13 Medium Term Revenue & Expenditure Framework | | |
|---------------------------------------------------------------|-----------------|-----------------|-----------------|-----------|-----------------------------------------------------|---------------------|---------------------|
| | Audited Outcome | Audited Outcome | Audited Outcome | Forecast | Budget Year 2013/14 | Budget Year 2014/15 | Budget Year 2015/16 |
| Funding measures | | | | | | | |
| Cash/cash equivalents at the year end - R'000 | 3 510 | 4 132 | 7 522 | 2 971 | 4 248 | 3 806 | 2 376 |
| Cash + investments at the yr end less applications - R'000 | (3 577) | (3 340) | 7321 | 5 830 | 6 248 | 4 706 | 1 092 |
| Cash year end/monthly employee/supplier payments | 0.4 | 0.4 | 0.7 | 0.2 | 0.3 | 0.3 | 0.1 |
| Surplus/(Deficit) excluding depreciation offsets: R'000 | (4 713) | (4 647) | 1 491 | 57 | 57 | 28 | 52 |
| Service charge rev % change - macro CPIX target exclusive | 17.8% | 16.1% | (10.8%) | (6.0%) | 4.9% | 3.5% | 4.8% |
| Cash receipts % of Ratepayer & Other revenue | 105.8% | 92.9% | 90.6% | 95.3% | 99.1% | 97.3% | 91.1% |
| Debt impairment expense as a % of total billable revenue | 0.0% | 0.0% | 2.2% | 1.4% | 1.4% | 1.3% | 1.2% |
| Capital payments % of capital expenditure | 100.0% | 92.0% | 96.9% | 80.0% | 74.2% | 85.0% | 75.0% |
| Borrowing receipts % of capital expenditure (excl. transfers) | 58.5% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Grants % of Govt. legislated/gazetted allocations | | | | | 0.0% | 0.0% | 0.0% |
| Current consumer debtors % change - incr(decr) | (7.4%) | 23.4% | (14.2%) | 0.0% | (4.6%) | (4.3%) | (2.3%) |
| Long term receivables % change - incr(decr) | (2.3%) | 52.1% | (1.9%) | 0.0% | 0.2% | 0.2% | (4.7%) |
| R&M % of Property Plant & Equipment | 2.1% | 1.4% | 2.3% | 2.3% | 1.4% | 1.4% | 1.5% |
| Asset renewal % of capital budget | 4.0% | 5.8% | 7.5% | 34.6% | 36.8% | 11.3% | 13.4% |

10.5.1 Cash/cash equivalent position

The municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirement.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet the MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2013/2014 MTREF shows R4 248 000, R3 806 000 and R2 376 000 for each respective financial year.

10.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in section 10.4. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

10.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. Notably, the ratio has been improving for the period 2009/2010 to 2011/2012, moving from (0.4) to 0.2 with the adopted 2012/2013 MTREF. As part of the 2013/2014 MTREF the municipality's cash position causes the ratio to move downwards to 0.1 for the outer years. The municipality aims to achieve at least one month's cash coverage in the medium term, and then gradually towards two months coverage. This measure will have to be carefully monitored going forward.

10.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are sufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2013/2014 MTREF the indicative outcome is a surplus of R57 000, R28 000 and R52 000.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

10.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target.

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3.6 per cent). The result is intended to be approximation of the real increase in revenue. From the table above it can be seen that the percentage growth totals 4.9, 3.5 and 4.8 per cent for the respective financial years of the 2013/2014 MTREF. Considering the lowest percentage tariff increase in relation to revenue generated from rates and services charges is 5.7 per cent, with the increase in electricity at 15.8 per cent it is to be expected that the increase in revenue will exceed the inflation target figures. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

10.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyze the underlying assumed collection rate for the MTREF to determine the relevance and creditability of the budget assumptions contained in the budget. It can be seen that the outcome is at 99.1, 97.3 and 91.1 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 90 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

10.5.7 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 10 per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

10.5.8 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for.

10.5.9 Consumer debtors change (Current and non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. These are 2 measures shown for this factor; the change in current debtors and the change in long term receivable, both from the Budgeted Financial Position. Both measure show a relatively stable trend in line with the Municipality's policy of settling debtors accounts within 30 days.

10.5.10 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because that a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

10.5.11 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget since MFMA Circular 28 which was issued in December 2005 is to categories each capital project as a new asset or a renewal/rehabilitation project. The objective is to summaries and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

10.6 Particulars of rates, refuse, electricity tariffs and other charges:

When the rates, electricity and refuse tariffs and other charges were revised, the following were taken into account:

- The wage agreements with unions.
- Other input costs of services provided by the Council
- The need to ensure financial sustainability
- Local economic conditions
- The affordability of services, taking into consideration the Council's indigent policy
- Relevant policy developments in the different sectors.

10.6.1 Hereunder follows the tariffs for consideration:

PROPERTY RATES

| Categories | Ratio in relation to residential property |
|------------------------------------|-------------------------------------------|
| Residential Property | 1 : 1 |
| Commercial and Industrial Property | 1 : 1 |
| Agricultural Property | 1 : 0.25 |
| Public Service Infrastructure | 1 : 0.25 |

TARIFFS FOR PROPERTY RATES

| Category | 2012/2013 c/R | 2013/2014 c/R |
|-------------------------------|------------------|------------------|
| Residential | 1.11 | 1.17 |
| Commercial and Industrial | 1.11 | 1.17 |
| Government | 1.11 | 1.17 |
| Municipal | 1.11 | 1.17 |
| Clubs/Churches | 1.11 | 1.17 |
| Agricultural | 0.2775 | 0.2928 |
| Public service infrastructure | 0.2775 | 0.2928 |

PROPERTY RATES – REBATES AND REVENUE FOREGONE (2013/2014)

| | % Rebates | Total |
|-----------------------------------------------------------|--------------|-------------------|
| Rebates | | |
| Clubs/Churches | 100 | 1 021 716 |
| Pensioners | 40 | 67 971 |
| Pensioners (earning above the stipulated threshold) | 20 | 311 252 |
| Municipal Properties | 100 | 2 239 875 |
| Indigents | 100 | 663 983 |
| 3 rd Year phasing in | 25 | 16 040 |
| Early Settlement | 20 | 404 222 |
| Small Holdings with agricultural activities | 50 | 36 595 |
| | | 4 761 654 |
| Revenue Foregone | | |
| First 30% of the M/V for PSI | | 1 889 903 |
| 1 st R75 000 non-ratable on residential | | 2 710 220 |
| 1 st R15 000 non-ratable on vacant residential | | 752 385 |
| | | 5 352 507 |
| TOTAL | | 10 114 162 |

ELECTRICITY SUPPLY

SECTION A: CHARGES FOR ELECTRICITY

| | | 2012/2013 | 2013/2014 |
|-------|------------------------------------------------------------------------------------------|-----------|-----------|
| 1. | Eshowe Consumers | | |
| 1.1 | Domestic consumers, churches and old age homes | | |
| 1.1.1 | Monthly service charge (which charge excludes any kilowatt hour of electricity consumed) | 191.20 | 221.30 |
| 1.1.2 | Consumption charge | | |
| | INCLINING BLOCK TARIFF SYSTEM | | |
| | 0 – 50 KwH | 0.75 | 0.87 |
| | 51 – 350 KwH | 0.93 | 1.08 |
| | 351 – 600 KwH | 1.24 | 1.44 |
| | 601 > KwH | 1.27 | 1.47 |
| 1.2 | Businesses, clubs, boarding houses, hotels, schools and hostels, Government / NPA | | |
| 1.2.1 | Monthly service charge (which charge excludes any kilowatt hour of electricity consumed) | | |
| | For a single-phase connection per month | 244.60 | 283.60 |
| | For a three-phase connection per month | 700.90 | 811.60 |
| 1.2.2 | Consumption charge | 1.49 | 1.73 |
| 1.3 | Large Consumers | | |
| 1.3.1 | Monthly Service charge (which charge excluded any kilowatt hour of electricity consumed) | 399.60 | 462.70 |
| | Consumption charge for KVA | 162.24 | 187.88 |
| 1.3.2 | Consumption charges | 0.66 | 0.77 |
| 2. | <u>King Dinuzulu Consumers</u> | | |
| 2.1 | Monthly Service Charge | | |
| | Domestic | 191.20 | 221.30 |
| | Businesses | 700.90 | 811.60 |
| 2.2 | Consumption Charge | | |
| | Domestic | | |
| | INCLINING BLOCK TARIFF SYSTEM | | |
| | 0 – 50 KwH | 0.75 | 0.87 |
| | 51 – 350 KwH | 0.93 | 1.08 |
| | 351 – 600 KwH | 1.24 | 1.44 |
| | 601 > KwH | 1.27 | 1.47 |
| | Businesses | 1.49 | 1.73 |
| 3. | <u>User where Prepaid Meters have been installed</u> | | |
| 3.1 | Consumption charge –Domestic | | |
| | INCLINING BLOCK TARIFF SYSTEM | | |
| | 0 – 50 KwH | 0.75 | 0.87 |
| | 51 – 350 KwH | 0.93 | 1.08 |
| | 351 – 600 KwH | 1.24 | 1.44 |
| | 601 > KwH | 1.45 | 1.68 |

| | | | |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------|--------|--------|
| 3.2 | Consumption charge-Commercial (single phase) | 1.49 | 1.73 |
| 3.3 | Consumption charge-Commercial (three phase) | | |
| 3.4 | Low Cost Housing | | |
| | INCLINING BLOCK TARIFF SYSTEM | | |
| | 0 – 50 KwH | 0.75 | 0.84 |
| | 51 – 350 KwH | 0.93 | 1.04 |
| | 351 – 600 KwH | 1.07 | 1.19 |
| | 601 > KwH | 1.14 | 1.27 |
| | | | |
| | | | |
| 4. | <u>Connection fees for the supply of Electricity to Building Contractors</u> | | |
| 4.1 | Connection fees other than 3 phase | | |
| 4.1.1 | Connection fees (including disconnection) | 394.40 | 456.70 |
| 4.1.2 | Plus all kilowatt hours consumed at Maximum period of supply 6 months | 1.31 | 1.50 |
| 4.2 | 3 Phase connections | | |
| 4.2.1 | Connection fee (including disconnection) | 773.30 | 881.60 |
| 4.2.2 | Plus all kilowatt hours consumed at no maximum period of supply 6 months | 1.35 | 1.54 |
| 5. | <u>Availability Charge</u> | | |
| 5.1 | An availability charge is payable in respect of all properties, which can be yet or not served by the electricity reticulation network. | 194.10 | 224.70 |

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SECTION B: CONSUMER DEPOSITS

| 1. | <u>Domestic Supply</u> | 2012/2013 | 2013/2014 |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| | Amateur sporting clubs Charitable institutions Churches Government dwellings and institutions Private dwelling houses Retirement and care centres Townhouses Residential Flats | 3 400.00 | 3950.00 |
| 2. | <u>Low Cost Housing Schemes</u> | | |
| 2.1 | Where valuation of property is below R75 000,00 (receives free refuse) | | |
| 2.2 | Where valuation of property exceeds R75 000,00 | 350.00 | 385.00 |
| 3. | <u>Households With Pre Paid Electricity</u> | 350.00 | 385.00 |
| 3.1 | <u>Properties Occupied by Tenants</u> Deposit to be equivalent to three times the refuse charge | | |

| | | | |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| 4. | <u>Commercial Supply</u> | | |
| 4.1 | Deposit to be based on three times the average monthly account over a period of three months of a similar business or three times the average account over a period of three months of the previous consumer | | |
| 4.2 | Should the business to be operated be of the same type or per discretion of the Chief Financial Officer or his assignee with a minimum of R 4 400,00 | | |
| 4.3 | Where the minimum deposit is more than R 5000.00, the applicant be allowed to provide a bank guarantee for the required deposit. | | |

| | | | |
|-----|-------------------------------------------------------|----------|---------|
| 5. | <u>Commercial Consumers with Pre Paid Electricity</u> | | |
| 5.1 | Refuse removal service at least one day per week | 530.00 | 585.00 |
| 5.2 | Refuse removal service for a six day removal per week | 1 340.00 | 1470.00 |

SECTION C: SUNDRY ELECTRICITY CHARGES

| | | 2012/2013 | 2013/2014 |
|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| 1. | <u>Testing Fee</u> | | |
| 1.1 | Special fee for testing installation at consumers request | 147.50 | 170.80 |
| 1.2 | Meter test <ul style="list-style-type: none"> o Prepayment meter testing fee o Single phase conventional meter o 400V Three phase conventional meter o 11 kv meter | 376.00 502.80 648.90 Cost +10% | 435.40 582.30 751.40 Cost +10% |
| 1.3 | Inspection fee, after failure upon first test | | |
| 1.4 | Fee for checking meter reading (Which fee will be refunded should the reading be found to be incorrect) | 243.30 | 281.80 |
| 2. | <u>Disconnection Charge</u> | | |
| 2.1 | Final Notice of demand | | |
| 2.1.1 | Properties within the Municipality | 177.00 | 205.00 |
| 2.1.2 | Properties outside the Municipality (Plus 32c /km) | 177.00 | 205.00 |
| 2.1.3 | Where the disconnection is performed by a private contractor at the request of the Manager Financial Services | 354.00 | 410.00 |
| 3. | <u>Reconnection Charge</u> (penalties for services that may be disconnected if not paid on due date) | | |
| 3.1 | For non-payment of account | 177.00 | 205.00 |
| 3.2 | For other reasons, per each occasion | 177.00 | 205.00 |
| 3.4 | Connection charge – after office hours | 520.00 | 600.00 |
| 4. | <u>SERVICE CONNECTION FEES (NEW TARIFFS)</u> | | |
| 4.1 | Single phase prepayment connection (60 amp) | 1 737.00 | 1 825.00 |
| 4.2 | Single phase prepayment connection (Sunnydale 20 amp) | 890.00 | 900.00 |
| 4.3 | Upgrade single phase prepayment connection (20 amp - 60 amp) (KDS / Sunnydale) | 11 008.00 | 11 560.00 |
| 4.4. | Alternative single phase prepayment connection including ready board and cable | 3 552.00 | 3 730.00 |
| 4.5 | Single phase meter conversion from conventional to prepayment(Domestic and Small Business) | 1 185.00 | 1 245.00 |
| 4.6 | Three phase meter conversion from conventional to three phase prepayment (Domestic and Small Business) | 4 072.00 | 4 235.00 |
| 4.7 | Single phase conventional connection (see council resolution) | 1 407.00 | 1 480.00 |
| 4.8 | Second single phase prepayment connection on the same or subdivided premises | 13 742.00 | 14 430.00 |
| 4.9 | Single phase meter conversion from conventional to three phase conventional (Domestic and Small Business) | 14 458.00 | 15 180.00 |
| 4.10 | Single phase meter conversion from conventional to three phase prepayment meter (Domestic and Small Business) | 15 890.00 | 16 685.00 |

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| | | | |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| 4.11 | Domestic conversion from single to three phase maximum demand on connection (100Amp) | 16 506.00 | 17 330.00 |
| 4.12 | Domestic three phase conventional connection with a maximum demand of 100Amp | 16 020.00 | 16 820.00 |
| 4.13 | Domestic three phase prepayment connection | 4 190.00 | 4 360.00 |
| 4.14 | New 80A single phase supply or conversation from 60A to 80A | 4 730.00 | 4 970.00 |
| 4.15 | Non-domestic three phase connection with a maximum demand of 100Amp | 19 733.00 | 20 720.00 |
| 4.16 | Conversion from 80A single phase prepayment to 3 phase prepayment connection | 10 996.00 | 11 435.00 |
| 4.17 | Three phase connection with a max demand greater than 60 Amp (100A Eshowe) All cost plus 10% of all equipment necessary plus the cost of the infrastructure contributions for additional electricity above that being existing or allowed based on the zoning and area of the premises | | |
| 5. | Tampering Fee | 1770.80 | 2050.00 |
| 6. | Pre Paid Electricity Identification Card | | |
| 7. | Moving / Relocation of a prepayment meter | 626.70 | 725.00 |
| 8. | Replacement of damaged or burnt-out prepayment meter single phase | 707.80 | 820.00 |
| 9. | Replacement of damaged or burnt-out prepayment meter three phase | 2772.00 | 3210.00 |
| 10. | Certificate of Compliance – revisit fee | 468.20 | 545.00 |
| | | | |

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WASTE MANAGEMENT

SECTION A: REFUSE REMOVAL FEES

| 1. | <i>ESHOWE</i> | 2012/2013 | 2013/2014 |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------|
| 1.1 | Domestic (removal service one day per week) Per refuse receptacle, per month | 116.00 | 127.60 |
| 1.1.1 | Properties Occupied by tenants: refuse charges to be based on a number of tenants (per property) | | |
| 1.2 | Removal of refuse from business and other premises | | |
| 1.2.1 | Per refuse receptacle for a service of at least one day per week, per month | 176.90 | 194.60 |
| 1.2.2 | Per refuse receptacle for a six days per week clearance, per month | 446.50 | 491.30 |
| 1.3 | King Dinuzulu Users Residential Business | 116.00 176.90 | 127.60 194.60 |
| 1.4 | Mass container removal service four days per week, | | |
| 1.4.1 | per container, per month | 3 734.50 | 4108.00 |
| 1.4.2 | Mass container removal service four days per container where the consumer supplies the container for – The first 12 months Thereafter per month | 661.50 3 734.50 | 727.70 4108.00 |
| 1.4.3 | 2 Mass Containers + 4 Receptacle | 8 821.30 | 9703.50 |
| 1.5 | Schools | | |
| 1.5.1 | Removal Service one day per week, | 178.90 | 196.80 |
| 1.5.2 | Per refuse receptacle for a six days per week clearance, per month at schools | 446.50 | 491.30 |
| 1.6 | Hire of garden refuse container "Skip" for 2 day period | 379.40 | 350.00 |
| 1.7 | Removal of builders' rubble from properties per load of 2,3m or part hereof | 628.70 | 690.00 |
| 1.8 | Per polythene plastic bags | 2.20 | 2.50 |
| 1.9 | One bag of polythene black plastic bags (20 bags) | 37.90 | 40.00 |
| 1.10 | Making use of transfer station | | |
| 1.10.1 | Businesses (Including garden services) | 179.00 per ton | 200.00 |
| 1.10.2 | Builders rubble | 179.00 per ton | 200.00 |
| 1.11 | Lot Clearing per lot | | Cost + 10% |

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| 2. | <i>MTUNZINI</i> | 2012/2013 | 2013/2014 |
|--------|------------------------------------------------------------------------------------------------------------------------------|----------------|-----------|
| | Removal of household, domestic or business refuse from all properties / for 2 removals per week, per month or part thereof - | | |
| 2.1 | Domestic including clubs | 116.00 | 127.60 |
| 2.2 | Hotels and supermarkets | 723.40 | 797.00 |
| 2.3 | Other food handling businesses | 446.50 | 491.10 |
| 2.4 | Non-food handling businesses | 176.90 | 194.60 |
| 2.5 | Schools | 178.90 | 196.80 |
| 2.6 | Caravan parks for every 10 sites or part thereof | 121.90 | 134.10 |
| 2.7 | For every additional removal per load or part hereof | 176.90 | 194.60 |
| 2.8 | General Residential II sites per unit | 121.90 | 134.10 |
| 2.9 | Prawn farm | 176.90 | 194.60 |
| 2.10 | Use of refuse dump by instances outside municipal area, per month or part thereof | 1 333.60 | 1467.00 |
| 2.11 | Removal of refuse other than household or domestic, per load thereof | 178.90 | 196.80 |
| 2.12 | Removal of building rubble, per load thereof | 628.70 | 691.60 |
| 2.13 | Removal of Garden refuse per black bag | 23.90 | 26.30 |
| 2.14 | Making use of transfer station | | |
| 2.14.1 | Businesses (Including garden services) | 179.00 per ton | 200.00 |
| 2.14.2 | Builders rubble | 179.00 per ton | 200.00 |
| 2.15 | Lot Clearing per lot | Cost +10% | Cost +10% |
| 3. | <i>GINGINDLOVU</i> | | |
| 3.1 | Commercial per month | 176.90 | 194.60 |
| 3.1.1 | Commercial (Bulk) per month | 136.30 | 149.90 |
| 3.2 | Residential per month | 116.00 | 127.60 |
| 3.3 | Garden Refuse per black bag or part thereof | 23.90 | 26.30 |
| 3.4 | Rubble Removal per load or part thereof | 628.70 | 691.60 |
| 3.5 | Lot Clearing per lot | Cost +10% | Cost+10% |

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| 1. | <u>ADVERTISEMENTS</u> | 2012/2013 | 2013/2014 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| | <u>Display of Advertisements</u> General advertisements of events, meetings. Billboards, directional signage and any other signage determined by the Council may be subject to the services of an Advertising Consultant Company. Application Fee for all advertising | R100.00 | R105.00 |
| 1.1 | Posters and Flags (<u>per poster or flags per month</u>): - General Welfare Organisations Political (per announced election period) | R15.00 R1.00 R1.00 | R16.00 R1.00 R1.00 |
| 1.2 | Per banner per month | R120.00 | R127.00 |
| 1.5 | Billboards – per Bill Board annual charge irrespective if display period is less than one year | R15 000.00 | R15 825.00 |
| 1.6 | Deposit of 50% of quantities displayed - such deposit shall be retained by Council to cover costs incurred <u>if adverts are not removed within the determined time period as stipulated in the Advertising Bylaws.</u> | 50% of total | |
| | <u>HANDBILLS</u> | | |
| 2. | | | |
| 2.1 | For the permission to distribute handbills within the Municipality, Per month | R600.00 | R633.00 |
| 2.2 | For the permission to distribute handbills with the Municipality, Per year | R4000.00 | R4220.00 |
| 3. | <u>COMMUNITY HALLS</u> | | |
| 3.1 | <u>HIRE FEE FOR COMMUNITY HALLS</u> | | |
| 3.1.1 | General functions including weddings, concerts, contests, dances, exhibitions, tournaments and any other function which derives a financial benefit | R2000.00 | R2110.00 |
| 3.1.2 | Religious Services | R200.00 | R211.00 |
| 3.1.3 | Public meetings | R200.00 | R211.00 |
| 3.1.4 | Hire of Community Halls facilities by non-residents for any purposes | Normal rate +50% | |
| 3.1.5 | Political Meetings | R250.00 | R264.00 |
| 3.1.6 | For any other purpose approved by the Council per day | R1200.00 | R1266.00 |
| 3.1.7 | Hire of Premier Conference Center | R1000.00 | R1055.00 |
| 3.2 | <u>DEPOSIT FEE FOR COMMUNITY HALLS</u> | | |
| 3.2.1 | General functions including weddings, concerts, contests, dances, exhibitions, tournaments and any other function which derives a financial benefit | R3500.00 | R3693.00 |
| 3.2.2 | Religious Services | R200.00 | R211.00 |
| 3.2.3 | Public Meetings | R200.00 | R211.00 |
| 3.2.4 | For any other purpose approved by the Council per day | R800.00 | R844.00 |
| 3.2.5 | Political Meetings | R500.00 | R528.00 |
| The right to determine the period of hire is reserved by Council and the Municipal Manager is delegated discretionary authority on interpretation of applications and relevant tariffs to be charged. | | | |
| Deposits to be paid in advance in cash or bank guaranteed cheque. Temporary bookings will be accepted subject to 50% of the required deposit being paid in advance and the balance payable 24 hours prior to the event. All events or meeting must be concluded by 12:00 midnight and no sleeping in the any Council premises is permitted. | | | |

| 4. | <u>TOWN PLANNING</u> | 2012/2013 | 2013/2014 |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------|
| 4.1 | Consideration for approval of subdivisions/consolidations | | |
| 4.1.1 | Basic fee | R1100.00 | R1160.00 |
| 4.1.2 | Additional fee, per subdivision (Remainder to be considered a subdivision) | R110.00 | R116.00 |
| 4.1.3 | Amendment of subdivisions in process | R220.00 | R232.00 |
| 4.1.4 | Application for Registration of right of way servitudes/long term leases – Administration Fee (Note – This excludes legal fees) | R220.00 | R232.00 |
| 4.1.5 | Application for phasing/cancellation of approved layout plans – Administration Fee | R1650.00 | R1740.00 |
| 4.2. | Application for relaxation of building line and/or side and rear spaces in terms of Town Planning Clauses (per application) | R700.00 | R739.00 |
| 4.3. | Rezoning Applications | | |
| 4.3.1 | Rezoning of unused public open spaces in line with Council's Policy (NOTE – Advertisement, Closure and subdivision/consolidation fees would still apply) | NIL | NIL |
| 4.3.2 | Other rezonings: | | |
| | (i) Less than 1 ha | R2200.00 | R2321.00 |
| | (ii) 1 hectare and over but less than 5 hectares | R2750.00 | R2901.00 |
| | (iii) 5 hectares and over but less than 10 hectares | R4000.00 | R4220.00 |
| | (iv) 10 hectares and over | R5500.00 | R5803.00 |
| 4.4. | Zoning certificates | R50.00 | R53.00 |
| 4.5. | Special Consent | | |
| 4.5.1 | Consent to operate home industry without additional employment opportunities (Category A) | R550.00 | R580.00 |
| 4.5.2 | All other consent use applications (Category B) | R1100.00 | R1160.00 |
| 4.6. | Removal of Restrictive Conditions of Title | R1100.00 | R1160.00 |
| 4.7. | Closure of Public Streets / Open Spaces – Administration Fee | R260.00 | R274.00 |
| 4.8. | Administration of DFA Applications: | | |
| | (i) Less than 1 ha | R2200.00 | R2321.00 |
| | (ii) 1 hectare and over but less than 5 hectares | R2750.00 | R2901.00 |
| | (iii) 5 hectares and over but less than 10 hectares | R4000.00 | R4220.00 |
| | (iv) 10 hectares and over | R5500.00 | R5803.00 |
| 4.9. | Development outside of scheme areas | | |
| | (i) Less than 5 hectares | R3300.00 | R3482.00 |
| | (ii) 5 hectares and over but less than 10 hectares | R5000.00 | R5275.00 |
| | (iii) 10 hectares and over | R7700.00 | R8124.00 |
| 4.10. | Public Notice | | |
| 4.10.1 | Notices in the legal section | R2200.00 | R2321.00 |
| 4.10.2 | Notices in the body of the paper | R5500.00 | R5803.00 |
| 4.11. | Hearings | Cost plus 10% | |
| 4.12. | Fines – as per Section 75 and 89 of the Planning and Development Act | | |
| 4.12.1 | Fines as per Section 75 | As per court order | |
| 4.12.2 | Additional penalties in accordance with Section 76 | As per court order | |

| | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|--------------------|
| 4.12.3 | Section 89 Civil Penalty | 10-100% of value of illegal building/construction, etc. | |
| In light of the introduction of the new Planning and Development Act in April 2010, the tariffs have had to be revised so as to respond to the new planning processes included therein. In that regard, all proposals now read as per the tariff. In the instance that multiple applications are lodged for consideration of Council, individual tariffs will be applicable to each type of application included on the application form. Applications previously known as "consent uses" will now be known as Formal Authority throughout the Council's jurisdiction. This is in line with the PDA. Applications previously known as "Special Consent" will now be known as Consent throughout the Council's jurisdiction. This is in line with the PDA. | | | |
| 5. | <u>ENCROACHMENT – SIGNS</u> | 2012/2013 | 2013/2014 |
| | <u>Street Encroachment</u> The charges for street encroachment shall be payable annually in advance per sign as follows:- | | |
| 5.1 | Verandah posts, each | R330.00 | R348.00 |
| 5.2 | Verandah, ground floor, per m ² or part thereof and including Cantilevers overhanging the pavement or footpaths, Per m ² or part thereof | R25.00 | R26.00 |
| 5.3 | Sign boards on, or overhanging the footpaths or pavement, each | R500.00 | R528.00 |
| 5.4 | Building Rubble, sand and the like left on the pavement per day or part thereof | R120.00 | R127.00 |
| 5.5 | Display of signs for hotels, boarding houses, guest houses and Bed and breakfast accommodation (Maximum 4 signs per establishment), per sign per annum | R450.00 | R475.00 |
| 5.6 | Any other signage excluded from 5.5 | R200.00 Per month | R211.00 |
| 6. | <u>MISCELLANEOUS SERVICES</u> | | |
| | The following fee shall be paid to the Manager Financial Services in advance for the production of documents, provision of certificates and extract information from records, etc. | | |
| 6.1 | Search fee per account, document or file produced for inspection or duplicate accounts made out | R50.00 | R53.00 |
| 6.2 | Certified copy of extract from Council's minutes and or hearing per page | R50.00 | R53.00 |
| 6.3 | Rates certificates: - Manual RCC Electronic RCC | R55.00 | R300.00 R150.00 |
| 6.4 | Another certificate for each certificate | R55.00 | R58.00 |
| 6.5 | Standard and other bylaws per copy Extract of bylaws per page or part thereof | R80.00 R20.00 | R84.00 R21.00 |
| 6.6 | Valuation Roll per town | R750.00 | R791.00 |
| 6.7 | Valuation Roll per folio | R20.00 | R21.00 |
| 6.8 | Voters Roll per folio | R20.00 | R21.00 |
| 6.9 | General Photocopy fees | R7.00 | R7.40 |
| 6.10 | Clearing of vacant lots | R1000.00 | R1055.00 |
| 6.11 | Tender Documents – Unless specifically prescribed | R400.00 | R422.00 |
| 6.12 | Any occupier or owner of a stand within the uMlalazi Municipality will, subject to non-compliance or default to a statutory notice directing him/her to cut and clear a stand, have the stand cut by the uMlalazi Municipality and the same costs placed on his/her consumer account | R550.00 | R580.00 |

| 7. | <u>LIBRARIES</u> | 2012/2013 | 2013/2014 |
|--------|------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| 7.1 | Overdue library material excluding videos | R4.00 | R4.20 |
| 7.2 | Overdue video material | R5.00 | R5.30 |
| 7.3 | Overdue library books including talking books | R4.00 | R4.20 |
| 7.4 | Overdue DVD material | R6.00 | R6.30 |
| 7.5 | Overdue Technicon Books | R6.00 | R6.30 |
| 7.6 | Lost book identity card | R40.00 | R42.00 |
| 7.7 | Lost patron card | R40.00 | R42.00 |
| 7.8 | Lost Technicon card | R40.00 | R42.00 |
| 7.9 | 2 nd notification letter / post card | R20.00 | R21.00 |
| 7.10 | Photocopies of Library material per page | R0.50 | R0.50 |
| 8. | <u>PROMOTION OF ACCESS TO INFORMATION</u> | | |
| 8.1 | Application Fee | R50.00 | R53.00 |
| 8.2 | For every A 4 photocopy relating to the promotion of access to Information Act | R4.00 | R4.20 |
| 8.3 | For a copy in a computer readable format: - Compact Disk Copy of an audio record | R65.00 R65.00 | R69.00 R69.00 |
| 8.4 | To search for the record for disclosure for each hour excluding the first hour | R40.00 | R42.00 |
| 8.5 | The actual postal fee is payable when a copy of a record must be posted to a requester | | |
| 9. | <u>PUBLIC TOILETS</u> | | |
| 9.1 | Usage of public toilet per person | R3.00 | R3.10 |
| 9.2 | Collection of water for cooking; washing cars and other per litre | R1.10 | R1.20 |
| 10. | <u>SWIMMING POOL - SUNNYDALE</u> | | |
| 10.1 | Day ticket - Children | R5.00 | R5.30 |
| 10.2 | Day ticket - Adults | R7.50 | R7.90 |
| | Season ticket - Children | R50.00 | R53.00 |
| 10.3 | Season ticket - Adults | R75.00 | R79.00 |
| 11. | <u>GARDEN REFUSE AND BUILDING RUBBLE TARIFFS</u> | | |
| 11.1 | Garden Refuse - per ton load or part thereof | R55.00 | R58.00 |
| 11.2 | Commercial - per ton load | R200.00 | R211.00 |
| 11.3 | Building Rubble - per ton load | R200.00 | R211.00 |
| 11.4 | Mixed domestic waste - per ton load | R95.00 | R100.00 |
| 11.5 | Timber/tree stumps - per ton load | R200.00 | R211.00 |
| 12. | <u>BUILDING PLAN TARIFFS</u> | | |
| 12.1 | <u>NEW WORKS</u> | | |
| 12.1.1 | For each new building or additions to existing buildings per square metre | | |
| 12.1.2 | For the first 20 m ² | R200.00 | R210.00 |
| 12.1.3 | Each additional 10 m ² or part thereof up to 5 000 m ² | R120.00 | R130.00 |
| 12.1.4 | Each additional 10 m ² or part thereof more than 5 000 m ² and up to 15 000 m ² | R50.00 | 55.00 |
| 12.1.5 | Each additional 10 m ² or part thereof more than 15 000 m ² | R30.00 | R35.00 |

| | | | |
|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| 12.2 | AS BUILT OR AMENDED PLANS | | |
| 12.2.1 | For as built plans, 25% of existing submission fee, plus full tariff for additional new works | 25% of existing fee plus full tariff | 25% of existing fee plus full tariff |
| 12.3 | INTERNAL ALTERATIONS TO EXISTING BUILDINGS | | |
| 12.3.1 | Any form of internal alterations to existing buildings of any nature not defined as "as built" or amended plans" (i.e. plans passed and structures which have already passed occupation requirements) | | |
| 12.3.2 | Fixed tariff : Structures up to 500 m ² | R300.00 | R320.00 |
| 12.3.3 | Structures up to 5 000 m ² | R600.00 | R630.00 |
| 12.3.4 | Structures exceeding 5 000 m ² | R950.00 | R1000.00 |
| 12.3.5 | For the renewal of plans which have expired | 50% of existing submission fee | |
| 12.3.6 | For swimming-pools | R300.00 | R320.00 |
| 12.3.7 | For boundary walls / Fences | R300.00 | R320.00 |
| 12.3.8 | For any other plan submitted other than described above, a fixed tariff of | R400.00 | R420.00 |
| 12.3.9 | For a permit for minor structures in terms of Act 103 of 1977, a fixed tariff of | R200.00 | R210.00 |
| 13. | PRODUCTION OF MAPS/BUILDING PLAN | | |
| 13.1 | OZALID COPIER | | |
| 13.1 | A1 paper | R35.00 | R40.00 |
| 13.2 | HP COPIERS BLACK/WHITE PRINTS | | |
| 13.2.1 | A4 | R20.00 | R20.00 |
| 13.2.2 | A3 | R25.00 | R25.00 |
| 13.2.3 | A2 & A1 | R35.00 | R40.00 |
| 13.2.4 | A0 | R55.00 | R60.00 |
| 13.3 | HP COPIERS COLOUR PRINTS | | |
| 13.3.1 | A4 | R30.00 | R30.00 |
| 13.3.2 | A3 | R45.00 | R50.00 |
| 13.3.3 | A2 & A1 | R130.00 | R140.00 |
| 13.3.4 | A0 | R180.00 | R190.00 |
| 13.4 | LAMINATE COPIES | | |
| 13.4.1 | A2 & A1 | R45.00 | R50.00 |
| 13.4.2 | A0 | R65.00 | R70.00 |
| 13.5 | A0 SCANNER, COPIER & PRINTER | | |
| 13.5.1 | A0 paper | R40.00 | R40.00 |
| 13.5.2 | A1 paper | R25.00 | R25.00 |
| 13.5.3 | A0 plastic | R80.00 | R85.00 |
| 13.5.3 | A1 plastic | R45.00 | R50.00 |
| 14. | ENGINEERING INSPECTIONS AND APPLICATIONS | | |
| 14.1 | P.T.O. Applications | R350.00 | R370.00 |
| 14.2 | Sewer Inspections | R200.00 | R210.00 |
| 14.3 | Encroachments (per side) | R180.00 | R190.00 |
| 14.4 | Site visit for boundary lines (per peg) | R180.00 | R190.00 |
| 15. | ROAD CROSSING RE-INSTATEMENTS | | |
| 15.1 | Premix surfacing per m ² | R110.00 | R120.00 |
| 15.2 | Base (G2 crusher run) per m ² | R120.00 | R130.00 |

| 16. | <u>CEMETERY TARIFFS</u> | 2012/2013 | 2013/2014 |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| 16.1 | <u>TARIFFS FOR RESIDENTS</u> | | |
| 16.1.1 | Burial for stillborn/infant | R660.00 | R700.00 |
| 16.1.2 | Burial for person under the age of 12 years | R770.00 | R810.00 |
| 16.1.3 | Burial for person over the age of 12 years | R1000.00 | R1055.00 |
| 16.1.4 | Burial Double deep | R1700.00 | R1795.00 |
| 16.1.5 | Burial Casket | R1700.00 | R1795.00 |
| 16.1.6 | Double grave | R2000.00 | R2110.00 |
| 16.1.7 | Niche – Wall of Remembrance | R330.00 | R350.00 |
| 16.2 | <u>TARIFFS FOR NON-RESIDENTS</u> | | |
| 16.2.1 | Burial for stillborn/infant | R1550.00 | R1635.00 |
| 16.2.2 | Burial for person under the age of 12 years | R2300.00 | R2430.00 |
| 16.2.3 | Burial for person over the age of 12 years | R4300.00 | R4540.00 |
| 16.2.4 | Double grave | R6500.00 | R6860.00 |
| 16.2.5 | Niche – Wall of Remembrance | R550.00 | R580.00 |
| 16.3 | <u>GENERAL</u> | | |
| 16.3.1 | Opening a grave for exhumation | R8000.00 | R8440.00 |
| 16.3.2 | Permission to erect memorial stone | R280.00 | R295.00 |
| 16.3.3 | Proof must be handed in that the deceased was resident in the Council's area or jurisdiction for a continuous period exceeding 3 months | | |
| 16.3.4 | Burial plot sizes: adult – 2,5m x 1,5m x 1,8m deep | | |
| 16.3.5 | Burial plot sizes: child – 1,5m x 1,0 x 1,8m deep | | |
| 16.3.6 | Burial aperture sizes: adult – 2,2m x 0,9m x 1,8m deep | | |
| 16.3.7 | Burial aperture sizes: child – 1,2m x 0,7m x 1,8m | | |

TAXI RANK TARIFFS

| | | | |
|----|------------------|---------|---------|
| 1. | Permit Per Annum | R100.00 | R105.00 |
|----|------------------|---------|---------|

POUND TARIFFS: -

| No | Type of fee or cost | Amount of fee or cost due and payable to Pound Master | Amount of fee or cost due and payable to Council |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| 1 | Transportation Fee | The kilometer tariff for the vehicle which, in the discretion of the pound keeper, is reasonably necessary to transport the relevant animal to the pound, as determined by the Automobile if South Africa (AA) from time to time. | Nil |
| 2 | Pound fee / tariffs | a. R30.00 per day for any pig, sheep or goat b. R70.00 per day for any other animal | a. R15.00 per day for any pig, sheep or goat b. R50.00 per day for any other animal |
| 3 | Other costs (All other actual costs including tending, dipping or spraying, wound dressing, medication, veterinarian and any other costs required) | Actual cost | Nil |

10.7 Debtor's collection levels

The Finance Department endeavors to improve the collection levels of the outstanding debtor accounts by implementing the following:

- To execute termination of electricity supply by looking at the total outstanding account on the premises. This means that the electricity supply will be terminated if property rates is outstanding on the property
- To block the sale of pre paid electricity by looking at the total outstanding account, including property rates on the premises.
- An improved structure for arrangements and extensions of time for payment of outstanding debt.
- Quarterly meetings with the Council's attorneys to discuss problem areas on handed over cases.

10.8 Planned savings and efficiencies over the medium term revenue and expenditure framework

The following savings and efficiencies were discussed at management and Executive Committee level:

- Cut down on nice to have items in the operating expenditure and capital budgets.
- Cut down on unnecessary subsistence and travel to workshops and meetings that do not add value to the Council's operations.
- Managers of departments are instructed to improve the control of the overtime of their staff.
- The implementation plans in terms of the IDP must be developed and implemented in house by the relevant departments. Avoid the appointment of consultants.
- The Manager: Protection Services must ensure the productive utilization of the speeding camera/cameras
- To enhance the revenue on waste management, the Manager: Engineering services must identify which consumers are placing a burden on the waste transfer station.

10.9 Investments

At present the Council does not have investments to fund the operating or capital expenditure. The investment portfolio for the Council is investments for conditional grants received from National Treasury.

10.10 Planned proceeds from the lease of assets

| Rental Facilities | | |
|---------------------------------------------|-------------------------------|-------------------------------|
| Description | Budgeted Amount for 2012/2013 | Budgeted Amount for 2013/2014 |
| Hire of Halls & Equipment | 103 370 | 109 060 |
| Hire of Building(Sportsclub) | 8 070 | 8 060 |
| Mtunzini Sugar Cane Farm | 410 140 | 433 100 |
| Rent – Sugar Cane Lease (Eshowe) | 422 510 | 412 900 |
| Rent – Sundry | 127 980 | 135 150 |
| Leases – Land Ging | 76 330 | 105 800 |
| Rent Received (Staff housing) | 59 320 | 62 580 |
| Total Budgeted for Rental Facilities | 1 207 720 | 1 266 650 |

10.11 Planned use of bank overdraft

- The Council's primary bank account is with First National Bank in Eshowe
- The overdraft facility at the bank is R5 000 000.
- It is envisaged that use will be made of the bank overdraft facility during the 2013/2014 budget year, due to payment of large amounts for capital projects while waiting for transfer of government grants

10.12 New borrowing proposed to be raised.

There is no capital project in the 2013/2014 budget year that requires external funding.

11. Expenditure on allocations and grant programmes

11.1 The expenditure on allocation and grant programmes are as follows:

| Details | Operating Budget 2013/2014 | Capital Budget 2013/2014 |
|---------------------------------------------|-------------------------------|-----------------------------|
| NATIONAL GOVERNMENT | | |
| EQUITABLE SHARE | | |
| Rates Fund Admin Contribution | 34 721 820 | |
| International Relations | 100 000 | |
| Free Refuse Service | 1 363 100 | |
| Sports Field - Security | 558 320 | |
| Rural Roads/Causeways | 4 612 800 | |
| Sports Development (Flagship) | 400 000 | |
| Cultural Development (Flagship) | 100 000 | |
| Work Creation Projects (Flagship) | 1 000 000 | |
| Free Electricity i.t.o. National Gov Policy | 1 216 700 | |
| Humanitarian Indigent Support (Flagship) | 500 000 | |
| HIV Relief Fund (Flagship) | 422 800 | |
| Youth Development Programmes (Flagship) | 400 000 | |
| Rural Educational Enhancement | 200 000 | |
| Disaster Relief | 550 000 | |
| Community Support Programme (Flagship) | 200 000 | |
| Led Projects | 2 485 840 | |
| Ceremonial Events | 100 000 | |
| Commemorative Celebrations | 100 000 | |
| Community Halls Maintenance (Rural) | 250 000 | |
| Solid Waste Projects | 2 626 550 | |

| | | |
|-----------------------------------|--------------------------|--------------------------|
| Rural Grounds Maintenance | 200 000 | |
| Poverty Alleviation (Flagship) | 1 500 000 | |
| Councillors Remuneration Grant | 7 164 000 | |
| Caretaking – Rural Buildings | 200 000 | |
| Depreciation Relief | 6 163 060 | |
| Increase in Eskom Supply | 5 537 010 | |
| Animal Pound Facility | 620 000 | |
| Rural Fire Prevention | 300 000 | |
| Ward Committee Remuneration | 780 000 | |
| Youth Business Advisory Centre | 200 000 | |
| Electricity Meters Audit | 250 000 | |
| Capital Projects Contribution | | 11 059 000 |
| Eshowe Bus/Taxi Rank Contribution | | 3 500 000 |
| Total Equitable Share | <u>74 822 000</u> | <u>14 559 000</u> |

| Municipal Infrastructure Grant | | |
|--------------------------------------------------------------------|--|-----------|
| Sqwanjana Community Hall (Ward 13) | | 1 000 000 |
| New Testing Station | | 700 000 |
| Kwayabu Sportsfield (Ward 15) | | 1 500 000 |
| Kwabulawayo Sportsfield (Ward 24) | | 500 000 |
| Esifubeni Road (Ward 10) | | 2 500 000 |
| Kangela Road Eshowe (Ward 11) | | 3 500 000 |
| KDS/Sunnydale Link Road (Ward 12) | | 1 595 100 |
| Rehabilitation of Osborn Road (Ward 11) | | 2 654 990 |
| Naickerville/Isandalwana High School Intersection (D134) (Ward 18) | | 1 151 400 |
| Nogobhoza Road (Ward 15) | | 2 502 120 |
| MIG Continued..... | | |

| | | |
|---------------------------------------------|--|--------------------------|
| Ntenjane Causeway and Road (Ward 13) | | 2 000 000 |
| Gciza Road (Ward 17) | | 1 584 120 |
| KDS Bus Route Road Rehabilitation (Ward 12) | | 1 500 000 |
| Retention | | 1 100 000 |
| Rehabilitation of Eshowe Landfill Site | | 3 527 270 |
| Total MIG Projects | | <u>27 315 000</u> |

| | | |
|----------------------------------------|-------------------------|--|
| LG Finance Management Grant | 1 750 000 | |
| Project Management Unit (MIG Projects) | 1 200 000 | |
| Total Grants | <u>2 950 000</u> | |

| <u>COGTA</u> | | |
|------------------------------------------------|--------------------------|--|
| Municipal Systems Improvement Grant (MSIG) | 900 000 | |
| NT: Integrated electrification programme grant | 12 000 000 | |
| Total COGTA | <u>12 900 000</u> | |

| | | |
|----------------------------------------|-------------------------|--|
| <u>Provincial Administration</u> | | |
| Museum Subsidy | 143 000 | |
| Community Library Services | 227 000 | |
| Provincialisation of Libraries | 2 726 000 | |
| Property Rates | 575 000 | |
| Total Provincial Administration | <u>3 671 000</u> | |

| | | |
|----------------------------------------|--------------------------|--------------------------|
| <u>uThungulu District Municipality</u> | | |
| UDM: Salary Claims | 557 480 | |
| Total UDM | <u>557 480</u> | |
| TOTAL GRANT ALLOCATION | <u>94 900 480</u> | <u>41 874 000</u> |

11.2 Reconciliation of DORA Gazetted Grants

- *Equitable Share Reconciliation 2013/2014*

1. Operating Budget

| | |
|------------------------------------------------|--------------------|
| As per Municipality's Operation Budget | R 94 900 480 |
| Less: | |
| LG Finance Management Grant | R 1 750 000 |
| Municipal Systems Infrastructure Grant | R 900 000 |
| NT: Integrated electrification programme grant | R12 000 000 |
| Museum Subsidy | R 143 000 |
| Community Library Services | R 227 000 |
| Provincialisation of Libraries | R 2 726 000 |
| Property Rates | R 575 000 |
| UDM Salary Claims | R 557 480 |
| Project Management Unit (MIG Projects) | R 1 200 000 |
| Total Operating Budget Equitable Share (1) | <u>R74 822 000</u> |

2. Capital Budget

| | |
|-----------------------------------------------------|--------------------|
| As per Municipality's Capital Budget | R41 874 000 |
| Less: | |
| Municipal Infrastructure Grant | R27 315 000 |
| Eshowe Bus and Taxi Rank Contribution (own funding) | R 3 500 000 |
| Total Capital Budget – Equitable Share (2) | <u>R11 059 000</u> |

Total Equitable Share as Gazetted (Add Totals 1&2) R85 881 000

- Municipal Infrastructure Grant Reconciliation 2012/2013

| | |
|--------------------------------------|--------------------|
| As per Capital Budget MIG Allocation | R27 315 000 |
| Add: PMU Admin Fees – 5% | R 1 200 000 |
| Total MIG as Gazetted | <u>R28 515 000</u> |

- LG Municipal Finance Management Grant

LG Finance Management Grant R 1 750 000

- Municipal Systems Infrastructure Grant

Municipal Systems Infrastructure Grant R 900 000

11.3 Hereunder follows the proposed equitable share allocations for the next 3 budget years

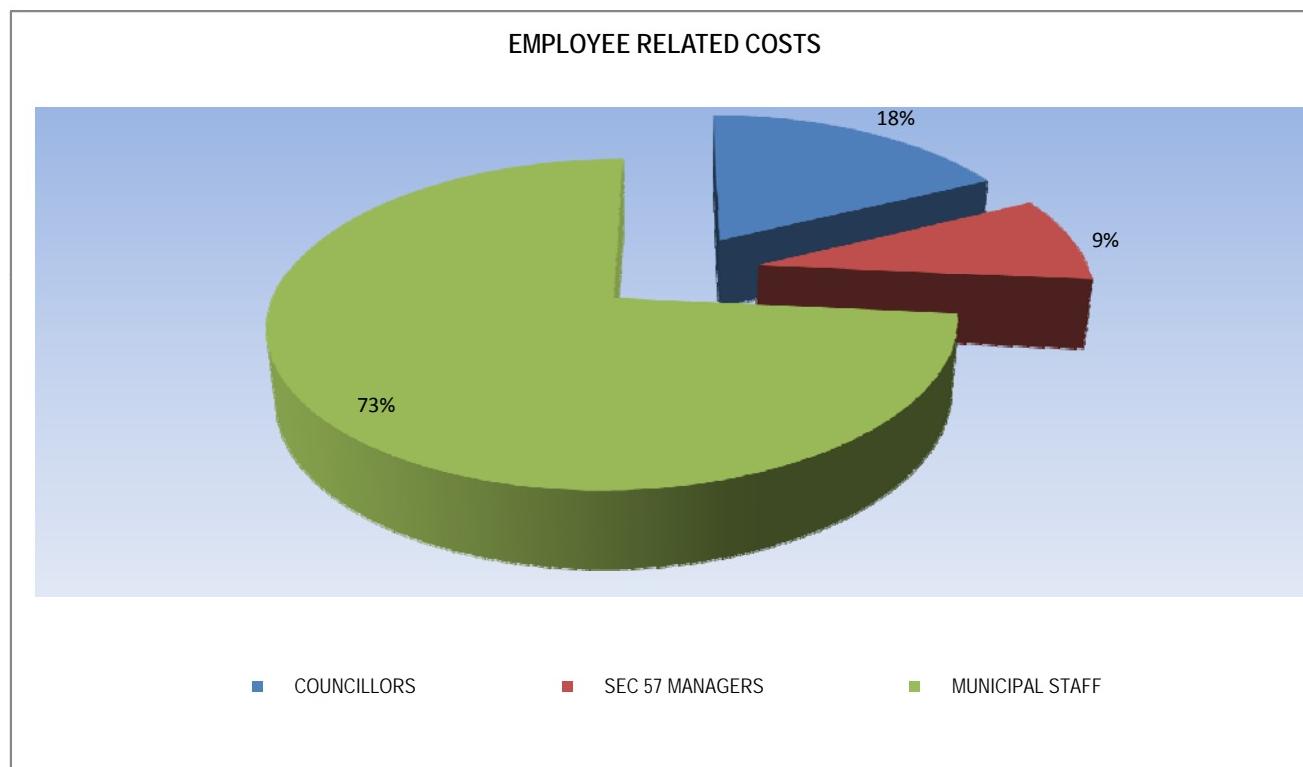
| DETAILS | 2013/2014 (R) | 2014/2015 (R) | 2015/2016 (R) |
|-------------------------------------|-------------------|-------------------|-------------------|
| International relations | 100 000 | 100 000 | 300 000 |
| Community halls maintenance (Rural) | 250 000 | 250 000 | 704 640 |
| Care taking: rural buildings | 200 000 | 200 000 | 400 000 |
| Youth development | 400 000 | 400 000 | 600 000 |
| Early childhood development | 200 000 | 200 000 | 400 000 |
| Community support programme | 200 000 | 200 000 | 200 000 |
| Local economic development (LED) | 2 485 840 | 2 899 240 | 3 231 780 |
| Youth business advisory centre | 200 000 | 250 000 | 300 000 |
| Ceremonial events | 100 000 | 100 000 | 100 000 |
| Commemorative celebrations | 100 000 | 100 000 | 150 000 |
| Rates relief | 34 721 820 | 37 772 010 | 39 928 480 |
| Depreciation on assets contribution | 6 163 060 | 6 779 370 | 7 457 300 |
| Poverty alleviation | 1 500 000 | 1 439 420 | 3 026 360 |
| Ward committee expenses | 780 000 | 940 000 | 1 560 000 |
| Re-valuation of properties | 0 | 800 000 | 2 300 000 |
| Councillor's remuneration | 7 164 000 | 9 156 000 | 10 987 000 |
| Animal pound facility | 620 000 | 620 000 | 620 000 |
| Rural fire prevention | 300 000 | 300 000 | 350 000 |
| Disaster assistance | 550 000 | 510 300 | 829 370 |
| Humanitarian assistance | 500 000 | 500 000 | 500 000 |
| Sport development | 400 000 | 400 000 | 800 000 |
| Cultural development | 100 000 | 100 000 | 100 000 |
| HIV Relief | 422 800 | 500 000 | 800 000 |
| Work creation projects | 1 000 000 | 1 000 000 | 1 500 000 |
| Sports fields - security | 558 320 | 586 240 | 615 550 |
| Rural grounds maintenance | 200 000 | 200 000 | 500 000 |
| Rural roads and causeways | 4 612 800 | 5 108 400 | 5 604 000 |
| Free refuse | 1 363 100 | 1 458 500 | 1 560 600 |
| Solid waste relief | 2 626 550 | 2 595 850 | 2 619 420 |
| Free electricity | 1 216 700 | 1 305 700 | 1 414 600 |
| Increase in Eskom supply | 5 537 010 | 5 537 010 | 0 |
| Electricity metering audit | 250 000 | 250 000 | 1 274 900 |
| Capital projects contribution | 11 059 000 | 11 156 960 | 11 509 000 |
| | 85 881 000 | 93 715 000 | 102 243 000 |

12. COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

12.1 Summary of councillor and staff benefits

| Summary of Employee and Councillor remuneration R thousand | Ref | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure Framework | | |
|---------------------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Councillors (Political Office Bearers plus Other) | 1 | A | B | C | D | E | F | G | H | I |
| Basic Salaries and Wages | | 6 587 | 6 787 | 7 514 | 7 780 | 8 171 | 8 171 | 8 737 | 9 351 | 9 987 |
| Pension and UIF Contributions | | 695 | 785 | 874 | 1 167 | 651 | 651 | 696 | 743 | 794 |
| Medical Aid Contributions | | 121 | 123 | 102 | 125 | 248 | 248 | 273 | 300 | 330 |
| Motor Vehicle Allowance | | 2 545 | 2 642 | 2 890 | 3 024 | 3 024 | 3 024 | 3 235 | 3 452 | 3 704 |
| Cellphone Allowance | | 579 | 579 | 639 | 678 | 674 | 674 | 674 | 674 | 674 |
| Housing Allowances | | 38 | 38 | 41 | — | — | — | — | — | — |
| Other benefits and allowances | | | | | — | — | — | — | — | — |
| Sub Total - Councillors | | 10 565 | 10 954 | 12 059 | 12 774 | 12 769 | 12 769 | 13 615 | 14 521 | 15 491 |
| % increase | 4 | | 3.7% | 10.1% | 5.9% | (0.0%) | — | 6.6% | 6.7% | 6.7% |
| Senior Managers of the Municipality | 2 | | | | | | | | | |
| Basic Salaries and Wages | | 2 999 | 3 876 | 3 870 | 3 566 | 3 566 | 3 566 | 5 028 | 5 406 | 5 811 |
| Pension and UIF Contributions | | 603 | 693 | 707 | 698 | 698 | 698 | 604 | 648 | 696 |
| Medical Aid Contributions | | — | — | — | — | — | — | — | — | — |
| Overtime | | — | — | — | — | — | — | — | — | — |
| Performance Bonus | | 608 | 629 | 765 | 684 | 412 | 412 | 553 | 913 | 977 |
| Motor Vehicle Allowance | 3 | 896 | 649 | 777 | 645 | 645 | 645 | 416 | 416 | 416 |
| Cellphone Allowance | 3 | — | 60 | 60 | 72 | 72 | 72 | 84 | 84 | 84 |
| Housing Allowances | 3 | — | — | — | — | — | — | — | — | — |
| Other benefits and allowances | 3 | — | — | — | 24 | 24 | 24 | 48 | 51 | 55 |
| Sub Total - Senior Managers of Municipality | | 5 106 | 5 906 | 6 179 | 5 690 | 5 418 | 5 418 | 6 732 | 7 519 | 8 040 |
| % increase | 4 | | 15.7% | 4.6% | (7.9%) | (4.8%) | — | 24.3% | 11.7% | 6.9% |
| Other Municipal Staff | | | | | | | | | | |
| Basic Salaries and Wages | | 27 852 | 31 163 | 32 482 | 36 393 | 34 883 | 34 883 | 38 776 | 42 362 | 45 908 |
| Pension and UIF Contributions | | 4 773 | 5 454 | 5 524 | 7 968 | 7 618 | 7 618 | 8 214 | 8 954 | 9 686 |
| Medical Aid Contributions | | 1 491 | 1 746 | 1 844 | 2 271 | 2 224 | 2 224 | 2 487 | 2 730 | 2 998 |
| Overtime | | 2 064 | 2 265 | 2 585 | 2 692 | 3 092 | 3 092 | 3 095 | 3 397 | 3 703 |
| Performance Bonus | | — | 54 | (43) | 0 | 0 | 0 | (0) | (0) | (1) |
| Motor Vehicle Allowance | 3 | 1 614 | 1 733 | 1 540 | 1 853 | 1 689 | 1 689 | 1 825 | 1 825 | 1 825 |
| Cellphone Allowance | 3 | — | (60) | (60) | (72) | (72) | (72) | (84) | (84) | (84) |
| Housing Allowances | 3 | 150 | 141 | 143 | 138 | 138 | 138 | 148 | 148 | 148 |
| Other benefits and allowances | 3 | 901 | 1 463 | 1 202 | 1 843 | 1 886 | 1 886 | 1 921 | 2 069 | 2 214 |
| Long service awards | | 334 | — | 479 | — | — | — | — | — | — |
| Sub Total - Other Municipal Staff | | 39 179 | 43 960 | 45 696 | 53 087 | 51 459 | 51 459 | 56 382 | 61 401 | 66 397 |
| % increase | 4 | | 12.2% | 3.9% | 16.2% | (3.1%) | — | 9.6% | 8.9% | 8.1% |
| TOTAL SALARY, ALLOWANCES & BENEFITS | | 54 850 | 60 821 | 63 934 | 71 552 | 69 647 | 69 647 | 76 730 | 83 442 | 89 928 |
| % increase | 4 | | 10.9% | 5.1% | 11.9% | (2.7%) | — | 10.2% | 8.7% | 7.8% |
| TOTAL MANAGERS AND STAFF | 5,7 | 44 285 | 49 867 | 51 875 | 58 777 | 56 878 | 56 878 | 63 115 | 68 920 | 74 437 |

| EMPLOYEE RELATED COSTS | |
|------------------------|-----------------------------|
| 2013/2014 MTREF | |
| DESCRIPTION | BUDGET YEAR 2013/2014 R'000 |
| COUNCILLORS | 13615 |
| SEC 57 MANAGERS | 6732 |
| MUNICIPAL STAFF | 56383 |
| TOTAL EXPENDITURE | 76730 |



12.2 Salaries, allowances & benefits (political office bearers/councillors/senior managers'

| Disclosure of Salaries, Allowances & Benefits 1. | Ref | No. | Salary | Contributions | Allowances | Performance Bonuses | In-kind benefits | Total Package |
|----------------------------------------------------------------------|------|-----|-------------------|------------------|------------------|---------------------|------------------|-------------------|
| Rand per annum | | | | 1. | | | | 2. |
| Councillors | 3 | | | | | | | |
| Speaker | 4 | 1 | 372 713 | 41 730 | 158 019 | | | 572 462 |
| Chief Whip | | 1 | 307 198 | 81 342 | 149 385 | | | 537 925 |
| Executive Mayor | | 1 | 419 177 | 98 876 | 192 556 | | | 710 609 |
| Deputy Executive Mayor | | 1 | 414 442 | - | 158 019 | | | 572 462 |
| Executive Committee | | 8 | 1 581 357 | 128 218 | 669 026 | | | 2 378 602 |
| Total for all other councillors | | 40 | 5 642 102 | 618 579 | 2 582 733 | | | 8 843 414 |
| Total Councillors | 8 | 52 | 8 736 989 | 968 745 | 3 909 741 | | | 13 615 474 |
| Senior Managers of the Municipality | 5 | | | | | | | |
| Municipal Manager (MM) | | 1 | 1 015 080 | 205 181 | 12 000 | 170 837 | | 1 403 097 |
| Chief Finance Officer | | 1 | 767 414 | 1 785 | 102 000 | 50 120 | | 921 318 |
| Deputy City Manager - Corporate Services | | 1 | 496 746 | 175 648 | 134 371 | 46 361 | | 853 127 |
| Deputy City Manager - Protection Services | | 1 | 664 268 | 15 070 | 120 000 | 36 742 | | 836 081 |
| Deputy City Manager - Community Services | | 1 | 785 554 | 1 785 | 12 000 | 82 671 | | 882 009 |
| Deputy City Manager - Engineering Services | | 1 | 584 182 | 107 156 | 108 000 | 45 928 | | 845 266 |
| <i>List of each official with packages >= senior manager</i> | | | | | | | | |
| Deputy Municipal Manager | | 1 | 714 288 | 144 910 | 12 000 | 120 288 | | 991 486 |
| Deputy Chief Financial Officer | | 1 | 450 978 | 92 149 | 114 940 | 37 582 | | 695 649 |
| Total Senior Managers of the Municipality | 8,10 | 8 | 5 478 510 | 743 685 | 615 312 | 590 528 | | 7 428 035 |
| TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION | 10 | 60 | 14 215 499 | 1 712 429 | 4 525 052 | 590 528 | | 21 043 509 |

12.3 Summary of personnel numbers

| Number | Summary of Personnel Numbers | Ref 1,2 | 2011/12 | | | Current Year 2012/13 | | | Budget Year 2013/14 | | |
|---------------------------------------------------------------|------------------------------|------------|------------|---------------------|--------------------|----------------------|---------------------|--------------------|---------------------|---------------------|--------------------|
| | | | Positions | Permanent employees | Contract employees | Positions | Permanent employees | Contract employees | Positions | Permanent employees | Contract employees |
| Municipal Council and Boards of Municipal Entities | | | | | | | | | | | |
| Councillors (Political Office Bearers plus Other Councillors) | | 4 | 52 | 4 | 48 | 52 | 4 | 48 | 52 | 4 | 48 |
| Board Members of municipal entities | | 5 | | | | | | | | | |
| Municipal employees | | | | | | | | | | | |
| Municipal Manager and Senior Managers | | 3 | 7 | | 7 | 7 | | 7 | 7 | | 7 |
| Other Managers | | 7 | 8 | 8 | | 8 | 8 | | 8 | 8 | |
| Professionals | | | 10 | 10 | - | 12 | 12 | - | 12 | 12 | - |
| <i>Finance</i> | | | 5 | 5 | | 5 | 5 | | 5 | 5 | |
| <i>Spatial/town planning</i> | | | 4 | 4 | | 6 | 6 | | 6 | 6 | |
| <i>Other</i> | | | 1 | 1 | | 1 | 1 | | 1 | 1 | |
| Technicians | | | 279 | 279 | - | 279 | 279 | - | 279 | 279 | - |
| <i>Finance</i> | | | 18 | 18 | | 18 | 18 | | 18 | 18 | |
| <i>Spatial/town planning</i> | | | 31 | 31 | | 31 | 31 | | 31 | 31 | |
| <i>Information Technology</i> | | | 4 | 4 | | 4 | 4 | | 4 | 4 | |
| <i>Roads</i> | | | 27 | 27 | | 27 | 27 | | 27 | 27 | |
| <i>Electricity</i> | | | 23 | 23 | | 23 | 23 | | 23 | 23 | |
| <i>Refuse</i> | | | 26 | 26 | | 26 | 26 | | 26 | 26 | |
| <i>Other</i> | | | 150 | 150 | | 150 | 150 | | 150 | 150 | |
| Clerks (Clerical and administrative) | | | 13 | 13 | | 13 | 13 | | 13 | 13 | |
| TOTAL PERSONNEL NUMBERS | | 9 | 369 | 314 | 55 | 371 | 316 | 55 | 371 | 316 | 55 |
| % increase | | | | | | 0.5% | 0.6% | - | - | - | - |
| Total municipal employees headcount | | 6, 10 | | | | | | | | | |
| Finance personnel headcount | | 8, 10 | | | | | | | | | |
| Human Resources personnel headcount | | 8, 10 | | | | | | | | | |

13. MONTHLY TARGETS FOR REVENUE AND CASHFLOW

13.1 Hereunder follows a consolidation for revenue by source and expenditure by type

| MONTHLY CASH FLOWS R thousand | Budget Year 2013/14 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | | |
|---------------------------------------------------|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------------------------------------|------------------------|------------------------|--------|
| | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 | |
| Cash Receipts By Source | | | | | | | | | | | | | 1 | | | |
| Property rates | 2 038 | 4 553 | 4 103 | 1 817 | 2 997 | 4 096 | 1 964 | 2 148 | 2 238 | 2 286 | 2 154 | 1 759 | 32 152 | 32 200 | 33 778 | |
| Property rates - penalties & collection charges | 69 | 69 | 69 | 69 | 69 | 69 | 69 | 69 | 69 | 69 | 69 | 69 | 825 | 867 | 910 | |
| Service charges - electricity revenue | 4 175 | 4 907 | 4 247 | 5 036 | 4 889 | 3 612 | 4 583 | 4 639 | 4 852 | 4 600 | 4 255 | 4 784 | 54 581 | 57 390 | 65 614 | |
| Service charges - refuse revenue | 654 | 719 | 744 | 699 | 767 | 622 | 1 093 | 651 | 733 | 726 | 761 | 437 | 8 605 | 8 723 | 9 334 | |
| Rental of facilities and equipment | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 1 267 | 1 333 | 1 398 | |
| Interest earned - external investments | 92 | 92 | 92 | 92 | 92 | 92 | 92 | 92 | 92 | 92 | 92 | 92 | 1 100 | 1 100 | 1 100 | |
| Fines | 275 | 375 | 256 | 311 | 307 | 243 | 176 | 232 | 337 | 360 | 403 | 329 | 3 604 | 3 788 | 3 974 | |
| Licences and permits | 335 | 288 | 393 | 281 | 296 | 221 | 340 | 281 | 328 | 256 | 341 | 177 | 3 538 | 3 732 | 3 915 | |
| Transfer receipts - operational | 36 102 | 4 626 | 2 143 | - | 34 058 | 3 000 | - | 2 000 | 22 272 | - | - | 557 | 104 759 | 102 899 | 111 389 | |
| Other revenue | 231 | 15 835 | 11 482 | 10 059 | 731 | 15 597 | 4 255 | 12 235 | 165 | 5 923 | 5 493 | 10 285 | 92 290 | 9 463 | 2 185 | |
| Cash Receipts by Source | 44 077 | 31 568 | 23 634 | 18 469 | 44 312 | 27 657 | 12 677 | 22 451 | 31 191 | 14 417 | 13 672 | 18 596 | 302 721 | 221 496 | 233 596 | |
| Other Cash Flows by Source | | | | | | | | | | | | | | | | |
| Transfer receipts - capital | 11 406 | | | | 7 985 | | | | 9 124 | | | | - | 28 515 | 24 353 | 36 000 |
| Proceeds on disposal of PPE | | | | | | | | | | | | | 200 | 200 | 200 | 200 |
| Short term loans | | | | | | | | | | | | | - | - | - | - |
| Borrowing long term/refinancing | | | | | | | | | | | | | - | - | - | - |
| Increase (decrease) in consumer deposits | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 160 | 190 | 174 | |
| Decrease (Increase) in non-current debtors | | | | | | | (3) | | | | | | - | (3) | (3) | 69 |
| Decrease (increase) other non-current receivables | | | | | | | | | | | | | - | - | - | - |
| Decrease (increase) in non-current investments | | | | | | | | | | | | | - | - | - | - |
| Total Cash Receipts by Source | 55 496 | 31 582 | 23 647 | 18 482 | 52 310 | 27 667 | 12 690 | 22 464 | 40 329 | 14 431 | 13 886 | 18 609 | 331 593 | 246 236 | 270 039 | |
| Cash Payments by Type | | | | | | | | | | | | | | | | |
| Employee related costs | 5 260 | 5 260 | 5 260 | 5 260 | 5 260 | 5 260 | 5 260 | 5 260 | 5 260 | 5 260 | 5 260 | 5 260 | 63 115 | 68 920 | 74 437 | |
| Remuneration of councillors | 1 135 | 1 135 | 1 135 | 1 135 | 1 135 | 1 135 | 1 135 | 1 135 | 1 135 | 1 135 | 1 135 | 1 135 | 13 615 | 14 521 | 15 491 | |
| Finance charges | | | 335 | | | | | | 335 | | | | - | 671 | 657 | 689 |
| Bulk purchases - Electricity | 517 | 4 956 | 6 198 | 2 760 | 583 | 6 202 | 3 057 | 3 715 | 3 434 | 3 124 | 3 372 | 3 455 | 41 373 | 47 993 | 55 672 | |
| Contracted services | 1 589 | 1 589 | 1 589 | 1 589 | 1 589 | 1 589 | 1 589 | 1 589 | 1 589 | 1 589 | 1 589 | 1 589 | 19 073 | 20 913 | 23 323 | |
| Transfers and grants - other municipalities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and grants - other | 215 | 215 | 215 | 215 | 215 | 215 | 215 | 745 | 215 | 215 | 215 | 215 | 3 110 | 3 319 | 3 554 | |
| Other expenditure | 47 536 | 16 998 | 2 822 | 2 885 | 39 001 | 7 835 | 1 672 | 3 679 | 23 650 | 1 115 | 1 166 | (529) | 147 829 | 55 188 | 51 138 | |
| Cash Payments by Type | 56 252 | 30 153 | 17 553 | 13 843 | 47 783 | 22 236 | 12 928 | 16 123 | 35 617 | 12 437 | 12 737 | 11 124 | 288 785 | 211 511 | 224 303 | |
| Other Cash Flows/Payments by Type | | | | | | | | | | | | | | | | |
| Capital assets | 1 032 | 1 337 | 6 106 | 4 663 | 4 394 | 5 188 | 677 | 6 037 | 5 045 | 1 632 | 1 131 | 4 631 | 41 874 | 35 510 | 47 509 | |
| Repayment of borrowing | - | - | - | - | - | - | - | - | (343) | - | - | - | (343) | (343) | (343) | |
| Total Cash Payments by Type | 57 284 | 31 490 | 23 659 | 18 506 | 52 177 | 27 424 | 13 605 | 22 161 | 40 319 | 14 069 | 13 868 | 15 755 | 330 316 | 246 678 | 271 469 | |
| NET INCREASE/(DECREASE) IN CASH HELD | (1 787) | 92 | (12) | (24) | 133 | 244 | (915) | 304 | 9 | 361 | 18 | 2 854 | 1 277 | (442) | (1 430) | |
| Cash/cash equivalents at the month/year begin: | 2 971 | 1 184 | 1 276 | 1 264 | 1 240 | 1 373 | 1 617 | 702 | 1 005 | 1 015 | 1 376 | 1 394 | 2 971 | 4 248 | 3 806 | |
| Cash/cash equivalents at the month/year end: | 1 184 | 1 276 | 1 264 | 1 240 | 1 373 | 1 617 | 702 | 1 005 | 1 015 | 1 376 | 1 394 | 4 248 | 4 248 | 3 806 | 2 376 | |

13.2 Hereunder follows a consolidation for revenue by source and expenditure by type

| R thousand | Description | Ref | Budget Year 2013/14 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|-----------------------------------------------|-------------|-----|---------------------|--------|--------|---------|----------|----------|---------|----------|--------|--------|--------|--------|-----------------------------------------------|------------------------|------------------------|
| | | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Revenue by Vote | | | | | | | | | | | | | | | | | |
| Vote 1 - EXECUTIVE AND COUNCIL | | | 7 601 | 7 601 | 7 601 | 7 601 | 7 601 | 7 601 | 7 601 | 7 601 | 7 601 | 7 601 | 7 601 | 7 601 | 91 210 | 99 971 | 111 316 |
| Vote 2 - BUDGET AND TREASURY OFFICE | | | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 2 656 | 2 702 | 2 749 |
| Vote 3 - CORPORATE SERVICES | | | 81 | 81 | 81 | 81 | 81 | 81 | 81 | 81 | 81 | 81 | 81 | 81 | 970 | 996 | 1 677 |
| Vote 4 - PLANNING AND DEVELOPMENT | | | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 1 505 | 1 520 | 1 636 |
| Vote 5 - HEALTH | | | 165 | 165 | 165 | 165 | 165 | 165 | 165 | 165 | 165 | 165 | 165 | 165 | 1 980 | 2 101 | 2 830 |
| Vote 6 - COMMUNITY AND SOCIAL SERVICES | | | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 3 268 | 3 438 | 3 623 |
| Vote 7 - HOUSING | | | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 134 | 140 | 147 |
| Vote 8 - PUBLIC SAFETY | | | 409 | 409 | 409 | 409 | 409 | 409 | 409 | 409 | 409 | 409 | 409 | 409 | 4 903 | 5 038 | 5 583 |
| Vote 9 - SPORTS AND RECREATION | | | 239 | 239 | 239 | 239 | 239 | 239 | 239 | 239 | 239 | 239 | 239 | 239 | 2 864 | 2 951 | 3 836 |
| Vote 10 - WASTE MANAGEMENT | | | 1 097 | 1 097 | 1 097 | 1 097 | 1 097 | 1 097 | 1 097 | 1 097 | 1 097 | 1 097 | 1 097 | 1 097 | 13 169 | 13 874 | 14 684 |
| Vote 11 - ROAD TRANSPORT | | | 679 | 679 | 679 | 679 | 679 | 679 | 679 | 679 | 679 | 679 | 679 | 679 | 8 151 | 8 827 | 9 505 |
| Vote 12 - ELECTRICITY | | | 6 343 | 6 343 | 6 343 | 6 343 | 6 343 | 6 343 | 6 343 | 6 343 | 6 343 | 6 343 | 6 343 | 6 343 | 76 111 | 83 355 | 88 113 |
| Vote 13 - AIR TRANSPORT | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - WORKSHOP | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue by Vote | | | 17 243 | 17 243 | 17 243 | 17 243 | 17 243 | 17 243 | 17 243 | 17 243 | 17 243 | 17 243 | 17 243 | 17 243 | 206 921 | 224 913 | 245 700 |
| Expenditure by Vote to be appropriated | | | | | | | | | | | | | | | | | |
| Vote 1 - EXECUTIVE AND COUNCIL | | | 3 968 | 3 968 | 3 968 | 3 968 | 3 968 | 3 968 | 3 968 | 3 968 | 3 968 | 3 968 | 3 968 | 3 968 | 47 621 | 51 367 | 59 046 |
| Vote 2 - BUDGET AND TREASURY OFFICE | | | 941 | 941 | 941 | 941 | 941 | 941 | 941 | 941 | 941 | 941 | 941 | 941 | 11 291 | 12 057 | 12 789 |
| Vote 3 - CORPORATE SERVICES | | | 632 | 632 | 632 | 632 | 632 | 632 | 632 | 632 | 632 | 632 | 632 | 632 | 7 584 | 8 139 | 9 360 |
| Vote 4 - PLANNING AND DEVELOPMENT | | | 277 | 277 | 277 | 277 | 277 | 277 | 277 | 277 | 277 | 277 | 277 | 277 | 3 320 | 3 451 | 3 690 |
| Vote 5 - HEALTH | | | 339 | 339 | 339 | 339 | 339 | 339 | 339 | 339 | 339 | 339 | 339 | 339 | 4 070 | 4 614 | 5 560 |
| Vote 6 - COMMUNITY AND SOCIAL SERVICES | | | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 3 269 | 3 520 | 3 786 |
| Vote 7 - HOUSING | | | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 135 | 142 | 149 |
| Vote 8 - PUBLIC SAFETY | | | 1 585 | 1 585 | 1 585 | 1 585 | 1 585 | 1 585 | 1 585 | 1 585 | 1 585 | 1 585 | 1 585 | 1 585 | 19 026 | 20 344 | 22 110 |
| Vote 9 - SPORTS AND RECREATION | | | 858 | 858 | 858 | 858 | 858 | 858 | 858 | 858 | 858 | 858 | 858 | 858 | 10 292 | 10 943 | 12 399 |
| Vote 10 - WASTE MANAGEMENT | | | 1 329 | 1 329 | 1 329 | 1 329 | 1 329 | 1 329 | 1 329 | 1 329 | 1 329 | 1 329 | 1 329 | 1 329 | 15 946 | 17 173 | 18 290 |
| Vote 11 - ROAD TRANSPORT | | | 1 050 | 1 050 | 1 050 | 1 050 | 1 050 | 1 050 | 1 050 | 1 050 | 1 050 | 1 050 | 1 050 | 1 050 | 12 603 | 13 846 | 15 081 |
| Vote 12 - ELECTRICITY | | | 5 932 | 5 932 | 5 932 | 5 932 | 5 932 | 5 932 | 5 932 | 5 932 | 5 932 | 5 932 | 5 932 | 5 932 | 71 183 | 78 730 | 82 791 |
| Vote 13 - AIR TRANSPORT | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 12 | 13 | 14 |
| Vote 14 - WORKSHOP | | | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 512 | 546 | 583 |
| Total Expenditure by Vote | | | 17 239 | 17 239 | 17 239 | 17 239 | 17 239 | 17 239 | 17 239 | 17 239 | 17 239 | 17 239 | 17 239 | 17 239 | 206 864 | 224 885 | 245 648 |
| Surplus/(Deficit) before assoc. | | | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 57 | 28 | 52 |
| Taxation | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Attributable to minorities | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Share of surplus/ (deficit) of associate | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) | | | 1 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 57 | 28 | 52 |

13.3 Hereunder follows the capital expenditure by vote

| Description R thousand | Ref | Budget Year 2013/14 | | | | | | | | | | | | Medium Term Revenue and Expenditure | | |
|--------------------------------------------------|-----|---------------------|--------|-------|---------|-------|-------|---------|-------|-------|-------|-------|-------|-------------------------------------|---------------------------|---------------------------|
| | | July | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Multi-year expenditure to be appropriated | 1 | | | | | | | | | | | | | | | |
| Vote 1 - EXECUTIVE AND COUNCIL | | | | 930 | 50 | | 25 | | | | | | – | 1 005 | 37 | 45 |
| Vote 2 - BUDGET AND TREASURY OFFICE | | | | | 40 | 89 | 48 | 22 | 52 | 42 | | | – | 293 | 242 | 325 |
| Vote 3 - CORPORATE SERVICES | | | | 560 | 410 | 460 | 485 | | | 200 | | | – | 2 330 | 1 070 | 14 025 |
| Vote 4 - PLANNING AND DEVELOPMENT | | | | | 80 | | | | | | | | – | 80 | – | – |
| Vote 5 - HEALTH | | | | 15 | | | | | | | | | – | 15 | 5 | 10 |
| Vote 6 - COMMUNITY AND SOCIAL SERVICES | | | | | | | 100 | | | 300 | 20 | | – | 420 | 1 272 | 6 320 |
| Vote 7 - HOUSING | | | | | | | | | | | | | – | – | – | – |
| Vote 8 - PUBLIC SAFETY | | | | 480 | 35 | | 300 | | | | 5 | | – | 820 | 865 | 507 |
| Vote 9 - SPORTS AND RECREATION | | | | 590 | 300 | 350 | 300 | | 400 | 400 | 300 | | – | 2 640 | 3 517 | 2 260 |
| Vote 10 - WASTE MANAGEMENT | | 500 | 500 | 990 | 500 | 545 | 527 | | 500 | | | | – | 4 062 | 200 | 770 |
| Vote 11 - ROAD TRANSPORT | | 532 | 737 | 1 926 | 2 401 | 2 931 | 3 403 | 600 | 4 835 | 4 100 | 1 282 | 1 131 | 4 631 | 28 510 | 26 010 | 21 020 |
| Vote 12 - ELECTRICITY | | | 100 | 315 | 798 | 60 | 25 | 25 | 45 | 45 | 25 | | – | 1 438 | 2 293 | 2 227 |
| Vote 13 - AIR TRANSPORT | | | | | | | | | | | | | – | – | – | – |
| Vote 14 - WORKSHOP | | | | | 260 | | | | | | | | – | 260 | – | – |
| Capital multi-year expenditure sub-total | 2 | 1 032 | 1 337 | 6 106 | 4 663 | 4 394 | 5 188 | 677 | 6 037 | 5 045 | 1 632 | 1 131 | 4 631 | 41 874 | 35 510 | 47 509 |
| Total Capital Expenditure | 2 | 1 032 | 1 337 | 6 106 | 4 663 | 4 394 | 5 188 | 677 | 6 037 | 5 045 | 1 632 | 1 131 | 4 631 | 41 874 | 35 510 | 47 509 |

14. Annual budgets and service delivery and budget implementation plans-internal departments



QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014

| Vote/Indicator | Unit of Measurement | Annual Target | Budget | Quarter Ending September | | Quarter Ending December | | Quarter Ending March | | Quarter Ending June | | Explanation of Variance |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------|--------|--------------------------|--------|-------------------------|--------|----------------------|--------|---------------------|--------|-------------------------|
| | | | | Projected | Actual | Projected | Actual | Projected | Actual | Projected | Actual | |
| <p>Department – Municipal Managers Office <u>KPA: Municipal financial viability and management</u></p> <p>Vote: Executive and Council</p> <p>1. <u>Mayoral Office</u></p> <p>Report on implementation of budget Performance indicators in S D B I P Performance agreements in S D B I P Time schedule of key deadlines for budget and IDP process</p> <p>Mid- year performance assessment report Adjustments budget Annual report</p> <p>Draft budget, revisions to IDP, resolutions and other related documents Issues raised in Auditors-General report Consultation on draft budget Responds to submissions of community Service Delivery and Budget Implementation Plan</p> <p><u>KPA: Basic Service Delivery</u></p> <p>Purchase furniture, fittings and equipment</p> | | | | | | | | | | | | |

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014

| Vote/Indicator | Unit of Measurement | Annual Target | Budget | Quarter Ending September | | Quarter Ending December | | Quarter Ending March | | Quarter Ending June | | Explanation of Variance |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|--------|------------------------------------------------------------------------------------------------------------------------|--------|---------------------------------------------------------------------------------------------------------------|--------|---------------------------------------------------------------------------------------------------------------|--------|---------------------------------------------------------------------------------------------------------------|--------|-------------------------|
| | | | | Projected | Actual | Projected | Actual | Projected | Actual | Projected | Actual | |
| 2. Municipal Manager Monthly budget statement to Mayor and PT Monthly budget statements and mid year budget and performance assessment Consolidated report of withdrawals report to Council on the expenditure incurred on staff salaries, wages, allowances & benefits Time schedule of key deadlines for budget and IDP process Annual financial statements to Auditor General Internal Strategic Consultation processes Engages with national and provincial sector Depts. on sector specific programmes for alignment with IDP Impact of different service delivery levels on rates and tariffs National policies, budget plans and potential price increases of bulk resources Changes to the IDP for incorporation into IDP review Mid- year performance assessment report to Mayor, N T & P T Annual report Annual report to AG, PT and D T & LG National and Provincial allocations | No of statements Consolidate in July 2013 Submit quarterly to Council Made public in August 2013 Submit end of August 2013 Start in October 2013 Begins in September 2013 Inform community in October 2013 Review with dept heads in Oct 2013 Review in November 2013 Submit in January 2014 Make public in March 2014 Submit in March 2014 Review in February 2014 | 11 1 4 1 1 2 2 1 1 1 1 1 1 1 1 1 1 | | 3 1 1 1 1 1 1 1 1 1 1 1 1 1 | | 2 1 2 1 1 1 1 1 1 1 1 1 1 | | 3 1 1 1 1 1 1 1 1 1 1 1 1 | | 3 1 1 1 1 1 1 1 1 1 1 1 1 | | |

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014

| Vote/Indicator | Unit of Measurement | Annual Target | Budget | Quarter Ending September | | Quarter Ending December | | Quarter Ending March | | Quarter Ending June | | Explanation of Variance |
|---------------------------------------------------------------------|--------------------------------------|---------------|------------|--------------------------|----------|-------------------------|------------|----------------------|------------|---------------------|------------|-------------------------|
| | | | | Projected | Act | Projected | Actual | Projected | Actual | Projected | Actual | |
| Municipal Manager (continues) | | | | | | | | | | | | |
| Draft budget and plans for next 3 years to Mayor | Submit in March 2014 | 1 | | | | | | 1 | | | | |
| Oversight report of annual report | Made public in March 2014 | 1 | | | | | | 1 | | | | |
| Draft budget, plans and proposed revisions to IDP | Publish in March 2014 | 1 | | | | | | 1 | | | | |
| Approved budget and budget related policies | Publish in June 2014 | 1 | | | | | | | | 1 | | |
| SDBIP and annual performance agreements to Mayor | Submit in June 2014 | 1 | | | | | | | | 1 | | |
| Approved SDBIP to National Treasury | Submit in June 2014 | 1 | | | | | | | | 1 | | |
| KPA: Municipal transformation and organizational development | | | | | | | | | | | | |
| Vote: Executive and Council | | | | | | | | | | | | |
| Municipal Manager | | | | | | | | | | | | |
| Departmental Communication | No of staff meetings | 12 | | 3 | | 3 | | 3 | | 3 | | |
| | No of EXCO meetings | 11 | | 3 | | 3 | | 2 | | 3 | | |
| | No of dept strategic meetings | 12 | | 3 | | 3 | | 3 | | 3 | | |
| New Municipal IDP | Complete by January 2014 | 100% | | | | 75% | | 100% | | | | |
| Amend and align PMS with IDP | Complete by January 2014 | 100% | | | | 75% | | 100% | | | | |
| Performance agreements of S57 managers signed | No of agreements signed by July 2013 | 6 | | 6 | | | | | | | | |
| (OPMS) Operational performance management system | No of reports to Council | 2 | | | | 1 | | | | 1 | | |
| Mid -year performance report | Submit by January 2014 | 1 | | | | | | 1 | | | | |
| Annual performance report | Submit by July 2013 | 1 | | 1 | | | | | | | | |
| Quarterly performance evaluation of S57 Managers | No of evaluations | 4 | | 1 | | 1 | | 1 | | 1 | | |
| KPA: Local economic development | | | | | | | | | | | | |
| Vote: Executive and Council | | | | | | | | | | | | |
| Municipal Manager | | | | | | | | | | | | |
| Local economic development projects | Rand value on budget spend | | R2 485 840 | | R497 168 | | R1 242 920 | | R1 988 672 | | R2 485 840 | |
| Youth business advisory centre (Equit share) | Rand value on budget spend | | R 200 000 | | R 40 000 | | R 100 000 | | R 160 000 | | R 200 000 | |
| Establish sustainable SMME's | Number established | 8 | | 2 | | 2 | | 2 | | 2 | | |
| Capacity building initiative | No of initiatives | 100 | | 25 | | 25 | | 25 | | 25 | | |

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014

| Vote/Indicator | Unit of Measurement | Annual Target | Budget | Quarter Ending September | | Quarter Ending December | | Quarter Ending March | | Quarter Ending June | | Explanation of Variance |
|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------|---------------|----------|--------------------------|-----|-------------------------|--------|----------------------|--------|---------------------|--------|-------------------------|
| | | | | Projected | Act | Projected | Actual | Projected | Actual | Projected | Actual | |
| KPA: Good Governance and public participation Vote: Executive and Council <u>Municipal Manager</u> | | | | | | | | | | | | |
| Establish sustainable ward committees | No of Ward committees established | 13 | R780 000 | 5 | | 10 | | 13 | | | | |
| IDP Road shows | No of road shows conducted | 52 | | 26 | | | | 26 | | | | |
| IDP representative forum meetings | No of rep forum meetings | 2 | | 1 | | | | 1 | | | | |
| Financial Audit committee | No of meetings | 4 | R36 000 | 1 | | 1 | | 1 | | 1 | | |
| Performance Audit committee | No of meetings | 2 | | 1 | | | | 1 | | | | |
| Implement anti corruption/fraud prevention Plan | Quarterly reports | 4 | | 1 | | 1 | | 1 | | 1 | | |
| Risk areas in accordance with Council's Risk Assessment Plan | Quarterly reports | 4 | | 1 | | 1 | | 1 | | 1 | | |
| KPA: Basic Service Delivery Vote: Executive and Council <u>Municipal Manager</u> | Complete in September 2013 | R50 000 | | | | R50 000 | | | | | | |
| | Deliver in August 2013 | R20 000 | | | | | | | | | | |
| | Deliver in August 2013 | R10 000 | | | | | | | | | | |
| | | | | R20 000 | | | | | | | | |
| | | | | R10 000 | | | | | | | | |



QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014

| Vote/Indicator | Unit of Measurement | Annual Target | Budget | Quarter Ending September | | Quarter Ending December | | Quarter Ending March | | Quarter Ending June | | Explanation of Variance |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|---------------|--------------|--------------------------|-----|-------------------------|--------|----------------------|--------|----------------------------------|------------------------------------|-------------------------|
| | | | | Projected | Act | Projected | Actual | Projected | Actual | Projected | Actual | |
| Department – Corporate Services <u>KPA: Municipal financial viability and management</u> 1. Vote: Finance & Administration 1.1 Administration Draft 2014/2015 Departmental budget Draft Departmental SDBIP Approved 2013/2014 budget by Council <u>KPA: Municipal transformation and organizational development</u> Vote: Finance & Administration Administration Departmental Communication No of staff meetings No of EXCO meetings No of Council meetings Portfolio Finance Local Labour Forum Training of staff & Councillors Workplace skills plan Implement HR strategy <u>KPA: Local Economic Development</u> Vote: Finance & Administration Administration Employment equity plan | Submit in November 2013 Submit in February 2014 Published in June 2013 | 1 1 1 | 1 R495 00 | 1 | 1 | 1 | 1 | 1 | 1 | 3 2 1 2 3 1 10 | 3 3 1 2 3 1 100% | |
| Reports to Local Labour Forum | 4 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014

| Vote/Indicator | Unit of Measurement | Annual Target | Budget | Quarter Ending September | | Quarter Ending December | | Quarter Ending March | | Quarter Ending June | | Explanation of Variance |
|-----------------------------------------------------------------------------------------------------|---------------------------------|---------------|----------|--------------------------|-----|-------------------------|--------|----------------------|--------|---------------------|--------|-------------------------|
| | | | | Projected | Act | Projected | Actual | Projected | Actual | Projected | Actual | |
| Department – Corporate Services (continues) <u>KPA: Good Governance and public participation</u> | | | | | | | | | | | | |
| Vote: Finance & Administration | | | | | | | | | | | | |
| Administration | | | | | | | | | | | | |
| Review existing policies | No of policies | 8 | | 2 | | 2 | | 2 | | 2 | | |
| Compilation agenda & minutes | No of agendas and minutes | 100 | | 25 | | 25 | | 25 | | 25 | | |
| Municipal website | No of uploads | 12 | | 3 | | 3 | | 3 | | 3 | | |
| Publish draft 2013/2014 budget | Publish in March 2013 & website | 1 | | 1 | | | | | | 1 | | |
| Performance agreement and SDBIP | Made public in July 2013 | 1 | | | | | | | | | | |
| <u>KPA: Basic Service Delivery</u> | | | | | | | | | | | | |
| Vote: Finance & Administration | | | | | | | | | | | | |
| Administration | | | | | | | | | | | | |
| Purchase furniture and fittings | Deliver in January 2013 | | R 15 000 | | | | | R15 000 | | | | |
| Town Hall & Offices | | | | | | | | | | | | |
| Purchase of furniture and fittings | Deliver in October 2013 | | R 50 000 | | | R 50 000 | | | | | | |
| Caretaking rural buildings (Equitable share) | Rand value on budget spend | | R200 000 | R 40 000 | | R 100 000 | | R160 000 | | R200 000 | | |
| Museum | | | | | | | | | | | | |
| Purchase of furniture and equipment | Deliver in March 2014 | | R 10 000 | | | | | R 10 000 | | | | |
| Libraries | | | | | | | | | | | | |
| Purchase equipment, furniture and fittings | Deliver in March 2014 | | R 10 000 | | | | | R 10 000 | | | | |
| Tourism | | | | | | | | | | | | |
| Purchase display furniture & equipment | Deliver in November 2013 | | R50 000 | | | R50 000 | | | | | | |



QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014

| Vote/Indicator | Unit of Measurement | Annual Target | Budget | Quarter Ending September | | Quarter Ending December | | Quarter Ending March | | Quarter Ending June | | Explanation of Variance |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------------------------|--------------------------|-----|------------------------------------|--------|------------------------|--------|------------------------|--------|-------------------------|
| | | | | Projected | Act | Projected | Actual | Projected | Actual | Projected | Actual | |
| Department-Protection Services (Manager: Protection Services) | | | | | | | | | | | | |
| <u>KPA: Municipal financial viability and management</u> | | | | | | | | | | | | |
| 1. Vote: Finance & Admin (Protection Services) | | | | | | | | | | | | |
| Draft budget Department 2014/2015 Draft Department SDBIP for 2014/2015 | Submit in November 2013 Submit in February 2014 | 1 1 | | | | 1 | | 1 | | | | |
| <u>KPA: Municipal transformation and organizational development</u> | | | | | | | | | | | | |
| Vote: Finance & Admin (Protection Services) | | | | | | | | | | | | |
| Communication plan | No of staff meetings No of EXCO meetings | 12 11 | | 3 3 | | 3 3 | | 3 2 | | 3 3 | | |
| <u>KPA: Good Governance and public participation</u> | | | | | | | | | | | | |
| Vote: Finance & Admin (Protection Services) | | | | | | | | | | | | |
| Compilation Agenda & Minutes Enquiries and complaints | No of agendas and minutes No of replies | 24 100 | | 6 25 | | 6 25 | | 6 25 | | 6 25 | | |
| <u>KPA: Good Governance and public participation</u> | | | | | | | | | | | | |
| 2. Vote: Public Safety | | | | | | | | | | | | |
| 2.1. Traffic | | | | | | | | | | | | |
| Road safety projects at schools Prepare and implement a safety plan | No of projects Complete by 30 June 2014 | 8 100% | | 2 | | 2 25% | | 2 50% | | 2 100% | | |
| <u>KPA: Basic Service Delivery</u> | | | | | | | | | | | | |
| Vote: Public Safety | | | | | | | | | | | | |
| Traffic | | | | | | | | | | | | |
| Effective Law Enforcement Road signs Road markings Crime consultative meetings Road blocks Monitor Hawkers Purchase fire arms | Rand value of fines issued Rand value of budget spent Rand value of budget spent No of meetings No of roadblocks No of visits Deliver in September 2013 | 12 15 80 | R16 million R 30 690 R 87 230 | R4 000 000 R 21 810 | | R4 000 000 R 30 690 R 43 620 | | R4 000 000 R 65 430 | | R4 000 000 R 87 230 | | |
| | | | | | | | | | | | | |

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014

| Vote/Indicator | Unit of Measurement | Annual Target | Budget | Quarter Ending September | | Quarter Ending December | | Quarter Ending March | | Quarter Ending June | | Explanation of Variance |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|---------------------------------|---------------------------------------|-----|---------------------------------------|--------|---------------------------------------|----------|---------------------------------------|--------|-------------------------|
| | | | | Projected | Act | Projected | Actual | Projected | Actual | Projected | Actual | |
| KPA: Local Economic Development | | | | | | | | | | | | |
| Vote: Public Safety 2.2 Fire Fighting | | | | | | | | | | | | |
| Municipal disaster management plan | No of awareness campaigns | 4 | | 1 | | 1 | | 1 | | 1 | | |
| KPA: Basic Service Delivery | | | | | | | | | | | | |
| Vote: Public Safety Fire Fighting | | | | | | | | | | | | |
| Fire inspections-businesses Rural fire prevention training Purchase firefighting equipment Fire station furniture | No of inspections No of training sessions Deliver in November 2013 Deliver in March 2014 | 100 10 | R300 000 R300 000 R 5 000 | 25 5 | | 25 R300 000 | | 25 | | 25 5 R 5 000 | | |
| KPA: Basic Service Delivery | | | | | | | | | | | | |
| 3. Vote: Road Transport 3.1 Testing Grounds | | | | | | | | | | | | |
| Examination of vehicles Motor registration & licensing: Driver's Licenses: Bookings Passed Learners licenses: Bookings Passed Maintenance of buildings | No of vehicles Units of one hundred No of bookings No of passes No of bookings No of passes Rand value of budget spent | 1 600 200 2 000 1 000 2 000 600 | | 400 40 500 250 500 150 | | 400 40 500 250 500 150 | | 400 40 500 250 500 150 | | 400 40 500 250 500 150 | | |
| | | | R 62 060 | | | R 31 030 | | | R 31 030 | | | |



QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014

| Vote/Indicator | Unit of Measurement | Annual Target | Budget | Quarter Ending September | | Quarter Ending December | | Quarter Ending March | | Quarter Ending June | | Explanation of Variance |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------------------------------------|--------------------------|----------|-------------------------|--------------------------------------------|----------------------|------------------------|---------------------|--------|-------------------------|
| | | | | Projected | Actual | Projected | Actual | Projected | Actual | Projected | Actual | |
| Department-Financial Services Chief Financial Officer <u>KPA: Municipal transformation & organizational development</u> 1. Vote: Finance & Admin Communication Plan <u>KPA: Basic Service delivery</u> Vote: Finance & Admin Upgrade of IT equipment Purchase furniture and equipment Purchase computers (other department's) Purchase air conditioner <u>KPA: Municipal financial viability and Management</u> Vote: Finance & Admin 1.1 Budget & Management Accounts Compilation of financial statements in terms of MFMA Time schedule of key deadlines for 2014/2015 budget Budget Statement Implementation of the budget Consolidate and prepare proposed 2014/2015 budget 6 monthly budget statements Adjustments budget for 2013/2014 Change in budget related policies Align municipal budget with IDP Draft 2014/2015 budget Draft SDBIP for 2014/2015 Primary banking detail to Provincial Treasury and Auditor General Draft 2014/2015 budget to National Treasury (3 copies) | No of staff meetings No of EXCO meetings Completed in January 2014 Deliver in October 2013 Complete in January 2014 Deliver in September 2013 Submit by 31 August 2013 Submit in June 2014 No of statements No of reports Start in December 2013 Tabled in January 2014 Tabled in January 2014 Finalized in March 2014 Alignment in March 2014 Tabled in March 2014 Tabled in March 2014 Forwarded in March 2014 Forwarded in April 2014 | 12 11 | R110 000 R 5 000 R171 000 R 7 000 | 3 3 | R 40 000 | 3 3 | R 66 000 R 5 000 R121 000 R 7 000 | 3 2 | R 110 000 R 171 000 | 3 3 | | |
| | | | | | | | | | | | | |

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014

| Vote/Indicator | Unit of Measurement | Annual Target | Budget | Quarter Ending September | | Quarter Ending December | | Quarter Ending March | | Quarter Ending June | | Explanation of Variance |
|---------------------------------------------------------------------------------------|---------------------------------------------------------|---------------|--------|--------------------------|--------|-------------------------|--------|----------------------|--------|---------------------|--------|-------------------------|
| | | | | Projected | Actual | Projected | Actual | Projected | Actual | Projected | Actual | |
| Department-Financial Services (continues) | | | | | | | | | | | | |
| Draft 2014/2015 budget to Provincial Treasury (1 copy) | Completed and mailed in April 2014 | 1 | | | | | | | | 1 | | |
| Final 2014/2015 budget | Tabled in May 2014 | 1 | | | | | | | | 1 | | |
| Final 2014/2015 budget to National Treasury | Forwarded in June 2014 | 1 | | | | | | | | 1 | | |
| Final SDBIP for 2014/2015 | Approved in June 2014 | 1 | | | | | | | | 1 | | |
| KPA: Municipal financial viability and Management | | | | | | | | | | | | |
| Vote: Finance & Admin | | | | | | | | | | | | |
| 1.2 Revenue | | | | | | | | | | | | |
| Report on credit control, debt collection & indigent management to Finance Committee. | No of reports | 11 | | 3 | | 2 | | 3 | | 3 | | |
| Meetings with Council's attorneys to discuss progress on handed over debtors. | No of meetings | 4 | | 1 | | 1 | | 1 | | 1 | | |
| Steering committee meetings with council's Valuators. | No of meetings | 4 | | 1 | | 1 | | 1 | | 1 | | |
| Debtor reconciliations | Completed by the 15 th of the month | 12 | | 3 | | 3 | | 3 | | 3 | | |
| Indigent Support-quarterly report to council | No of reports | 4 | | 1 | | 1 | | 1 | | 1 | | |
| Indigent support –reports displayed at cashier offices | No of reports | 4 | | 1 | | 1 | | 1 | | 1 | | |
| KPA: Municipal financial viability and Management | | | | | | | | | | | | |
| Vote: Finance & Admin | | | | | | | | | | | | |
| 1.3 Expenditure | | | | | | | | | | | | |
| SCM Policy-revise | Completed by December 2013 | 100% | | | | 100% | | | | | | |
| DoRA reports on all grants received | Submitted monthly | 12 | | 3 | | 3 | | 3 | | 3 | | |
| SCM reports in accordance with regulations, policy & procedures. | Submitted monthly | 12 | | 3 | | 3 | | 3 | | 3 | | |
| Payroll is completed timorously & accurately | Completed within 7 working days of the end of the month | 100% | | 100% | | 100% | | 100% | | 100% | | |
| Payment of creditors on time in terms of Section 65 of MFMA | No of creditors paid on time | 100% | | 100% | | 100% | | 100% | | 100% | | |
| KPA: Local Economic development | | | | | | | | | | | | |
| Vote: Finance & Admin | | | | | | | | | | | | |
| Ensure procurement policy is gender & disabled sensitive | Bi annual reports to EXCO | 2% | | | | 1% | | | | 2% | | |
| KPA: Basic service delivery | | | | | | | | | | | | |
| Vote: Finance & Admin | | | | | | | | | | | | |
| 1.4 SCM Unit | | | | | | | | | | | | |



QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014

| Vote/Indicator | Unit of Measurement | Annual Target | Budget | Quarter Ending Sept | | Quarter Ending December | | Quarter Ending March | | Quarter Ending June | | Explanation of Variance |
|--------------------------------------------------------------------------|-----------------------------|---------------|------------|---------------------|-----|-------------------------|----------|----------------------|--------|---------------------|--------|-------------------------|
| | | | | Projected | Act | Projected | Actual | Projected | Actual | Projected | Actual | |
| Department-Community Services (Manager: Community Services) | | | | | | | | | | | | |
| KPA: Municipal financial viability and management | | | | | | | | | | | | |
| 1. Vote: Finance & Admin | | | | | | | | | | | | |
| Draft 2014/2015 Departmental budget | Submit in November 2013 | 1 | | | | 1 | | | | | | |
| Draft Departmental SDBIP | Submit in February 2014 | 1 | | | | | | 1 | | | | |
| KPA: Municipal transformation and organizational development | | | | | | | | | | | | |
| Vote: Finance & Admin | | | | | | | | | | | | |
| Departmental Communication | No of staff meetings | 12 | | 3 | | 3 | | 3 | | 3 | | |
| Liaison with UDM and Coastal Management working group | No of EXCO meetings | 11 | | 3 | | 3 | | 2 | | 3 | | |
| KPA: Local Economic development | | | | | | | | | | | | |
| Vote: Finance & Admin | | | | | | | | | | | | |
| Work creation projects: Equit share | Rand value of budget spent | | R1 000 000 | R200 000 | | R500 000 | | R800 000 | | R1 000 000 | | |
| KPA: Good Governance & public participation | | | | | | | | | | | | |
| Vote: Finance & Admin | | | | | | | | | | | | |
| Compilation agendas & minutes | No of agenda & minutes | 6 | | | 2 | | | 2 | | | | |
| SLA Environment /SLA | Signing & compliance of SLA | 1 | | | | | | 1 | | 2 | | |
| KPA: Basic Service Delivery | | | | | | | | | | | | |
| 2. Vote: Community & Social Services | | | | | | | | | | | | |
| Liaison with Dept of health to ensure an acceptable level of health care | No of portfolio meetings | 6 | | 2 | | 1 | | 2 | | 1 | | |
| Cemeteries graves | No of graves dug | 220 | | 55 | | 55 | | 55 | | 55 | | |
| Sports development: Equit Share | Rand value of budget spent | | R400 000 | R 80 000 | | R200 000 | | R320 000 | | R400 000 | | |
| Cultural development: Equit Share | Rand value of budget spent | | R100 000 | R 20 000 | | R 60 000 | | R100 000 | | | | |
| HIV relief: Equit share | Rand value of budget spent | | R422 800 | R105 000 | | R210 000 | | R315 000 | | R422 800 | | |
| Youth Development Programmes :Equit share | Rand value of budget spent | | R400 000 | R 80 000 | | R200 000 | | R320 000 | | R400 000 | | |
| Rural grounds maintenance: Equit share | Rand value of budget spent | | R200 000 | R 50 000 | | R100 000 | | R150 000 | | R200 000 | | |
| Purchase furniture and equipment | Deliver in August 2013 | | R 15 000 | R 15 000 | | | | | | | | |
| Construct cemetery pathways | Complete in November 2013 | | R100 000 | | | R100 000 | | | | | | |
| Erect palisade fencing - cemetery | Complete in February 2014 | | R300 000 | | | | R300 000 | | | | | |

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014

| Vote/Indicator | Unit of Measurement | Annual Target | Budget | Quarter Ending September | | Quarter Ending December | | Quarter Ending March | | Quarter Ending June | | Explanation of Variance |
|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|--------------------------------------------------|----------------------------------|--------|----------------------------------|--------|------------------------|--------|------------------------|--------|-------------------------|
| | | | | Projected | Actual | Projected | Actual | Projected | Actual | Projected | Actual | |
| Department-Community Services (continues) | | | | | | | | | | | | |
| 3. Vote: Sport & Recreation | Weed eradication programs Grass cutting programs Purchase brush cutters Erect palisade fencing – swimming pool | Rand value of budget spent Rand value of budget spent Deliver in October 2013 Complete in August 2013 | R 349 760 R1 425 400 R 50 000 R 150 000 | R 87 440 R356 350 R150 000 | | R 87 440 R712 700 R 50 000 | | R 87 440 R1 069 050 | | R 87 440 R1 425 400 | | |



QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014

| Vote/Indicator | Unit of Measurement | Annual Target | Budget | Quarter Ending Sept | | Quarter Ending December | | Quarter Ending March | | Quarter Ending June | | Explanation of Variance |
|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------|----------------------------|-----|----------------------------------|-----|----------------------|-----|----------------------------|-----|-------------------------|
| | | | | Projected | Act | Projected | Act | Projected | Act | Projected | Act | |
| Department-Technical Services (Manager Engineer Services) | | | | | | | | | | | | |
| <u>KPA: Municipal financial viability & Management</u> Vote: Finance & Administration | | | | | | | | | | | | |
| Draft 2014/2015 Departmental budget Draft Departmental SDBIP | Submit in November 2013 Submit in February 2014 | 1 1 | | | | 1 | | 1 | | | | |
| <u>KPA: Municipal transformation & Organizational Development</u> Vote: Finance & Administration | | | | | | | | | | | | |
| Departmental Communication | No of staff meetings No of EXCO meetings General staff | 12 11 2 | | 3 3 1 | | 3 3 1 | | 3 2 | | 3 3 1 | | |
| <u>KPA: Good Governance & public participation</u> Vote: Finance & Administration | | | | | | | | | | | | |
| Compilation agendas & minutes | No of portfolio meetings No of Staff meetings No of General meetings No of Task meetings No of PMU meetings Other | 6 11 2 6 6 12 | | 2 3 1 2 2 3 | | 2 3 1 2 2 3 | | 1 2 | | 1 3 1 1 1 3 | | |
| <u>KPA: Basic Service Delivery</u> Vote: Finance & Administration | | | | | | | | | | | | |
| Upgrade of halls and offices Community halls main (Equitable Share) Purchase draughtsman program | Complete by November 2013 Rand value of budget spent Install in September 2013 | | R865 000 R250 000 R 80 000 | R210 000 R 25 000 | | R865 000 R100 000 R 80 000 | | R175 000 | | R250 000 | | |
| Vote: Planning & Development | | | | | | | | | | | | |
| Building inspections conducted Property inspections conducted | No of building inspections No of property inspections | 800 1 000 | | 200 250 | | 200 250 | | 200 250 | | 200 250 | | |

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014

| Vote/Indicator | Unit of Measurement | Annual Target | Budget | Quarter Ending Sept | | Quarter Ending December | | Quarter Ending March | | Quarter Ending June | | Explanation of Variance |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|------------------------------------------------|-------------------------------------------|-----|--------------------------------------------------|-----|-------------------------------|-----|--------------------------|-----|-------------------------|
| | | | | Projected | Act | Projected | Act | Projected | Act | Projected | Act | |
| Department-Technical Services (continues) | | | | | | | | | | | | |
| Vote: Community & Social Services | | | | | | | | | | | | |
| Consult with UDM that water & sanitation needs are catered for in the UDM (WSDP). Consult with Eskom and UDM so that uMlalazi residents receive free basic electricity. Poverty alleviation(Equit share) Early childhood development (Equit share) Sqwanjana community hall (Ward 13) Testing station planning | No of meetings attended No of meetings attended No of jobs created Rand value of budget spent Complete by February 2014 Complete by January 2014 | 4 4 200 R1 500 000 R 200 000 R1 000 000 R 700 000 | 1 1 50 R 600 000 R 300 000 | 1 1 100 R100 000 R600 000 | | 1 1 150 R1 000 000 R 700 000 | | 1 1 200 R100 000 | | 1 1 R1 500 000 | | |
| Vote: Sports & Recreation | Complete by March 2014 Construct Kwabulawayo sports field (Ward 24) | R1 500 000 R 500 000 | | | | | | | | | | |
| Vote: Refuse Removal Recycling Programme | No of reports to Portfolio committee Deliver in October 2013 No of reports Rand value of budget spend Complete by January 2014 | 6 6 R 45 000 R1 363 100 R3 527 270 | 2 2 R 340 775 R1 500 000 | 1 1 R 681 550 R3 027 270 | | 1 1 R1 022 325 R3 527 270 | | 2 2 R1 363 100 | | | | |
| Purchase refuse bins Waste management plan- report tonnages to regional refuse site Provide free refuse to indigent households Rehabilitate Eshowe landfill site | | | | | | | | | | | | |

QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS: 2013/2014

| Vote/Indicator | Unit of Measurement | Annual Target | Budget | Quarter Ending September | | Quarter Ending December | | Quarter Ending March | | Quarter Ending June | | Explanation of Variance |
|---------------------------------------------------------------|--------------------------------------|---------------|-------------|--------------------------|-----|-------------------------|-----|----------------------|-----|---------------------|-----|-------------------------|
| | | | | Projected | Act | Projected | Act | Projected | Act | Projected | Act | |
| Department-Technical Services (continues) | | | | | | | | | | | | |
| Vote: Road Transport | | | | | | | | | | | | |
| Municipal services infrastructure maintenance plan-buildings. | No of reports to Portfolio committee | 6 | | 2 | | 1 | | 1 | | 2 | | |
| Municipal roads programme | No of reports to Portfolio committee | 5 | | 2 | | 1 | | 1 | | 2 | | |
| Storm Water Management | Complete by November 2013 | | R 527 000 | R 210 000 | | R 527 000 | | | | | | |
| Road mechanical sweeper | Deliver August 2013 | | R 100 000 | R 100 000 | | | | | | | | |
| Construct sidewalks | Complete in January 2014 | | R 237 560 | R 50 000 | | R 200 000 | | R 237 560 | | | | |
| Construct public transport facilities | Complete in November 2013 | | R 118 000 | R 29 500 | | R 118 000 | | | | | | |
| Construct speed humps | Complete in October 2013 | | R 30 000 | | | R 30 000 | | | | | | |
| Grading of rural roads (Equit share) | Rand value of budget spend | | R 4 612 800 | R1 153 200 | | R2 306 400 | | R3 459 600 | | R4 612 800 | | |
| Rehabilitation of urban roads(Equit share) | Rand value of budget spend | | R 2 700 000 | R 500 000 | | R2 000 000 | | R2 025 000 | | R3 500 000 | | |
| Taxi rank-informal trading project | Complete by June 2014 | | R 3 500 000 | | | R1 500 000 | | R2 500 000 | | R3 500 000 | | |
| Esfubeni road (Ward 10) | Complete February 2014 | | R 2 500 000 | | | R 500 000 | | R2 000 000 | | R3 500 000 | | |
| Kangela street (Ward 11) | Complete May 2014 | | R 3 500 000 | | | | | | | | | |
| KDS/S/Dale link road (Ward 12) | Complete August 2013 | | R 1 595 100 | R1 595 100 | | | | | | | | |
| Rehabilitation of Osborn road (Ward 11) | Complete May 2014 | | R 2 654 990 | | | | | R1 061 996 | | R2 654 990 | | |
| Naicker ville/D134 intersection (Ward 18) | Complete March 2014 | | R 1 151 400 | | | | | R1 000 000 | | R1 151 400 | | |
| Nogobhoza road (Ward 15) | Complete by February 2014 | | R 2 502 120 | | | R1 500 000 | | R2 502 120 | | | | |
| Ntenjane causeway (Ward 13) | Complete by February 2014 | | R 2 000 000 | | | R1 000 000 | | R2 000 000 | | | | |
| Gciza road (Ward 17) | Complete by February 2014 | | R 1 584 120 | | | R 950 460 | | R1 584 120 | | | | |
| KDS Bus route rehabilitation (Ward 12) | Complete by February 2014 | | R 1 500 000 | | | R 900 000 | | R1 500 000 | | | | |
| Vote: Electricity | | | | | | | | | | | | |
| Provide free electricity to indigent households | Rand value of budget spend | | R1 216 700 | R 304 175 | | R 618 350 | | R 912 525 | | R1 216 700 | | |
| Purchase 2x complete 3 way ring main units | Deliver in September 2013 | | R 180 000 | | | R 180 000 | | | | | | |
| Purchase 1x complete 4 way ring main unit | Deliver in September 2013 | | R 200 000 | | | R 200 000 | | | | | | |
| Upgrade robot control system | Complete October 2013 | | R 40 000 | | | R 40 000 | | | | | | |
| Upgrade street lights | Complete in February 2014 | | R 100 000 | R 20 000 | | R 60 000 | | R 100 000 | | | | |
| Purchase indoor transformer | Deliver in September 2013 | | R 130 000 | | | R 130 000 | | | | | | |
| Purchase pole mounted transformers | Deliver in September 2013 | | R 88 000 | | | R 88 000 | | | | | | |
| Protection relay for sub stations | Deliver in September 2013 | | R 155 000 | | | R 155 000 | | | | | | |
| Purchase MV switching suit | Deliver in August 2013 | | R 35 000 | R 35 000 | | | | | | | | |
| Electrification of Mtakwende area | Complete by March 2014 | | R 250 000 | R 100 000 | | R 150 000 | | R 225 000 | | R 200 000 | | |
| Increase in Eskom supply (Equit share) | Complete in December 2013 | | R5 537 010 | R5 537 010 | | | | | | | | |
| Electricity meter audit (Equit share) | Complete by December 2013 | | R 250 000 | | | R 250 000 | | | | | | |
| Purchase 5 sedan vehicles | Deliver in August 2013 | | R 1 380 000 | R1 380 000 | | | | | | | | |
| Purchase 3 (4x2) LDV's | Deliver in August 2013 | | R 780 000 | R 780 000 | | | | | | | | |
| Purchase 2 trailers | Deliver in August 2013 | | R 230 000 | R 230 000 | | | | | | | | |
| Purchase 2 tractors | Deliver in August 2013 | | R 700 000 | R 700 000 | | | | | | | | |
| Purchase 1 (4x4) LDV | Deliver in August 2013 | | R 350 000 | R 350 000 | | | | | | | | |
| Purchase canopies | Deliver in August 2013 | | R 250 000 | R 250 000 | | | | | | | | |
| Vote: Other | | | | | | | | | | | | |
| Municipal services infrastructure maintenance plan-vehicles | No of reports to Portfolio committee | | | 2 | | 1 | | 1 | | 2 | | |

15. Contract having future budgets implications

Hereunder follows the details of a contract which will impose financial obligations on the municipality beyond the three years covered in the annual budget:

| Name | Description of Contract | Planned expenditure for duration of contract | | | |
|-------------------------|--------------------------------------------|----------------------------------------------|-----------|-----------|-----------|
| | | 2012/2013 | 2013/2014 | 2014/2015 | 2015/2016 |
| HCB Property Valuations | <i>Second round of property valuations</i> | R300 000 | R300 000 | R300 000 | R300 000 |

16. CAPITAL EXPENDITURE DETAILS

16.1 Capital expenditure on new assets by asset class

| Description R thousand | Ref 1 | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & Expenditure | | | |
|-------------------------------------------------------------------|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------------------------------|------------------------|------------------------|--|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 | |
| Capital expenditure on new assets by Asset Class/Sub-class | | | | | | | | | | | |
| Infrastructure | | | | | | | | | | | |
| Infrastructure - Road transport | 35 071 | 12 473 | 18 226 | 20 619 | 19 983 | 19 983 | 21 346 | 25 570 | 18 134 | | |
| Roads, Pavements & Bridges | 24 905 | 6 417 | 17 067 | 9 125 | 9 379 | 9 379 | 12 581 | 23 825 | 16 600 | | |
| Storm water | 24 905 | 6 417 | 17 067 | 9 125 | 9 379 | 9 379 | 12 581 | 23 825 | 16 600 | | |
| Infrastructure - Electricity | 1 831 | 1 463 | 347 | 620 | 615 | 615 | 1 038 | 1 745 | 1 534 | | |
| Generation | 1 831 | 1 463 | 347 | 620 | 615 | 615 | 1 038 | 1 745 | 1 534 | | |
| Transmission & Reticulation | | | | | | | | | | | |
| Street Lighting | | | | | | | | | | | |
| Infrastructure - Other | 8 334 | 4 593 | 813 | 10 875 | 9 989 | 9 989 | 7 727 | - | - | | |
| Waste Management | 8 334 | 4 157 | 122 | 7 055 | 6 119 | 6 119 | 3 527 | - | - | | |
| Transportation | 2 | | | | - | - | | | | | |
| Other | 3 | | 435 | 690 | 3 820 | 3 870 | 3 870 | 4 200 | - | - | |
| Community | | 6 120 | 5 362 | 3 086 | 17 011 | 8 284 | 8 284 | 3 400 | 4 028 | 20 500 | |
| Parks & gardens | | | | | - | - | | | | | |
| Sportsfields & stadia | | 3 058 | 1 781 | 1 120 | 13 700 | 2 900 | 2 900 | 2 000 | 2 257 | 1 700 | |
| Swimming pools | | 30 | | | - | - | - | | | 100 | |
| Community halls | | 171 | 744 | | 1 750 | 2 200 | 2 200 | 1 000 | - | 12 400 | |
| Libraries | | 1 451 | | | - | - | | | | | |
| Recreational facilities | | | | | - | - | - | | | | |
| Fire, safety & emergency | | 457 | 50 | | - | - | - | | 500 | - | |
| Security and policing | | | | | - | - | - | | | | |
| Buses | 7 | | | | - | - | - | | | | |
| Clinics | | | | | - | - | - | | | | |
| Museums & Art Galleries | | | | | - | - | - | | | | |
| Cemeteries | | 130 | 262 | | 50 | 50 | 50 | 400 | 300 | 300 | |
| Social rental housing | 8 | 823 | 2 525 | 1 966 | 1 511 | 3 134 | 3 134 | - | 972 | 6 000 | |
| Other | | | | | | | | | | | |
| Investment properties | | - | 1 866 | 800 | 2 100 | 2 100 | 2 100 | - | - | - | |
| Housing development | | | 1 866 | 800 | 2 100 | 2 100 | 2 100 | - | - | - | |
| Other | | | | | | | | | | | |
| Other assets | | 3 491 | 2 351 | 1 439 | 1 370 | 2 138 | 2 138 | 1 712 | 1 887 | 2 520 | |
| General vehicles | | 1 131 | 1 488 | 432 | 250 | 1 099 | 1 099 | 960 | 1 020 | 620 | |
| Specialised vehicles | 10 | 1 781 | - | - | - | - | - | - | - | - | |
| Plant & equipment | | 485 | 658 | 758 | 552 | 557 | 557 | 540 | 623 | 1 068 | |
| Computers - hardware/equipment | | | | | - | - | - | | | | |
| Furniture and other office equipment | | 94 | 204 | 249 | 568 | 481 | 481 | 212 | 244 | 832 | |
| Abattoirs | | | | | - | - | - | | | | |
| Markets | | | | | - | - | - | | | | |
| Civic Land and Buildings | | | | | - | - | - | | | | |
| Other Buildings | | | | | - | - | - | | | | |
| Other Land | | | | | - | - | - | | | | |
| Surplus Assets - (Investment or inventory) | | | | | - | - | - | | | | |
| Other | | | | | - | - | - | | | | |
| Intangibles | | - | - | - | - | - | - | - | - | - | |
| Computers - software & programming | | | | | | | | | | | |
| Other (list sub-class) | | | | | | | | | | | |
| Total Capital Expenditure on new assets | 1 | 44 682 | 22 052 | 23 552 | 41 101 | 32 504 | 32 504 | 26 458 | 31 485 | 41 154 | |
| Specialised vehicles | | 1 781 | - | - | - | - | - | - | - | - | |
| Refuse | | 496 | | | | | | | | | |
| Fire | | 1 286 | | | | | | | | | |
| Conservancy | | | | | | | | | | | |
| Ambulances | | | | | | | | | | | |

16.2 Capital expenditure on the renewal of existing assets by asset class

| Description R thousand | Ref 1 | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & | | | |
|-----------------------------------------------------------------------------------|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------------------|------------------------|------------------------|--|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 | |
| <u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u> | | | | | | | | | | | |
| <u>Infrastructure</u> | | | | | | | | | | | |
| Infrastructure - Road transport | 1 | 1 664 | 951 | 1 330 | 8 076 | 15 158 | 15 158 | 11 390 | 1 285 | 3 443 | |
| Roads, Pavements & Bridges | | 1 388 | 866 | 1 060 | 7 626 | 14 703 | 14 703 | 11 120 | 1 165 | 3 300 | |
| Storm water | | 1 137 | 627 | 720 | 7 276 | 13 728 | 13 728 | 10 593 | 365 | 2 300 | |
| Infrastructure - Electricity | | 251 | 239 | 340 | 350 | 975 | 975 | 527 | 800 | 1 000 | |
| Generation | | 112 | 85 | 140 | 100 | 100 | 100 | 140 | 120 | 143 | |
| Transmission & Reticulation | | 112 | 85 | 140 | 100 | 100 | 100 | 140 | 120 | 143 | |
| Street Lighting | | | | | | | | | | | |
| Infrastructure - Other | | 164 | - | 130 | 350 | 355 | 355 | 130 | - | - | |
| Waste Management | | | | | | | | | | | |
| Transportation | 2 | | | | | | | | | | |
| Gas | | | | | | | | | | | |
| Other | 3 | 164 | | 130 | 350 | 355 | 355 | 130 | | | |
| Community | | - | 184 | 230 | 200 | 200 | 200 | 1 015 | 900 | 1 450 | |
| Parks & gardens | | | | | | | | | | | |
| Sportsfields & stadia | | | | | | | | | | | |
| Swimming pools | | | | | | | | | | | |
| Community halls | | | | | | | | | | | |
| Libraries | | | | | | | | | | | |
| Recreational facilities | | | | | | | | | | | |
| Fire, safety & emergency | | | | | | | | | | | |
| Security and policing | | | | | | | | | | | |
| Buses | 7 | | | | | | | | | | |
| Clinics | | | | | | | | | | | |
| Museums & Art Galleries | | | | | | | | | | | |
| Cemeteries | | | | | | | | | | | |
| Social rental housing | 8 | | | | | | | | | | |
| Other | | | | | | | | | | | |
| Investment properties | | - | - | - | - | - | - | - | - | - | |
| Housing development | | | | | | | | | | | |
| Other | | | | | | | | | | | |
| Other assets | | 200 | 223 | 347 | 2 038 | 1 847 | 1 847 | 3 011 | 1 840 | 1 462 | |
| General vehicles | 10 | - | - | - | 1 690 | 1 586 | 1 586 | 2 730 | 1 620 | 1 160 | |
| Specialised vehicles | | | | | | | | | | | |
| Plant & equipment | | | | | | | | | | | |
| Computers - hardware/equipment | | 200 | 223 | 347 | 348 | 261 | 261 | 281 | 220 | 302 | |
| Furniture and other office equipment | | | | | | | | | | | |
| Abattoirs | | | | | | | | | | | |
| Markets | | | | | | | | | | | |
| Civic Land and Buildings | | | | | | | | | | | |
| Other Buildings | | | | | | | | | | | |
| Other Land | | | | | | | | | | | |
| Surplus Assets - (Investment or Inventory) | | | | | | | | | | | |
| Other | | | | | | | | | | | |
| Intangibles | | - | - | - | - | - | - | - | - | - | |
| Computers - software & programming | | | | | | | | | | | |
| Other (list sub-class) | | | | | | | | | | | |
| Total Capital Expenditure on renewal of existing assets | 1 | 1 863 | 1 357 | 1 907 | 10 314 | 17 204 | 17 204 | 15 416 | 4 025 | 6 355 | |
| Specialised vehicles | | - | - | - | - | - | - | - | - | - | |
| Refuse | | | | | | | | | | | |
| Fire | | | | | | | | | | | |
| Renewal of Existing Assets as % of total capex | | 4.0% | 5.8% | 7.5% | 20.1% | 34.6% | 34.6% | 36.8% | 11.3% | 13.4% | |
| Renewal of Existing Assets as % of deprecn" | | 25.6% | 19.3% | 25.3% | 117.1% | 212.4% | 212.4% | 180.4% | 44.8% | 67.4% | |

16.3 Repairs and maintenance expenditure by asset class

| Description R thousand | Ref 1 | 2009/10 | 2010/11 | 2011/12 | Current Year 2012/13 | | | 2013/14 Medium Term Revenue & | | |
|---------------------------------------------------------------------|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 |
| Repairs and maintenance expenditure by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | | 3 240 | 3 627 | 5 938 | 5 747 | 6 358 | 6 358 | 3 201 | 3 364 | 3 529 |
| Infrastructure - Road transport | | 1 721 | 2 043 | 4 227 | 3 974 | 4 301 | 4 301 | 1 062 | 1 116 | 1 171 |
| <i>Roads, Pavements & Bridges</i> | | 1 721 | 2 043 | 4 227 | 3 974 | 4 301 | 4 301 | 1 062 | 1 116 | 1 171 |
| <i>Storm water</i> | | | | | | | | | | |
| Infrastructure - Electricity | | 946 | 1 092 | 1 082 | 1 281 | 1 355 | 1 355 | 1 409 | 1 481 | 1 553 |
| <i>Generation</i> | | 946 | 1 092 | 1 082 | 1 281 | 1 355 | 1 355 | 1 409 | 1 481 | 1 553 |
| <i>Transmission & Reticulation</i> | | | | | | | | | | |
| <i>Street Lighting</i> | | | | | | | | | | |
| Infrastructure - Other | | 573 | 492 | 630 | 492 | 702 | 702 | 731 | 768 | 806 |
| <i>Waste Management</i> | | 573 | 492 | 630 | 492 | 702 | 702 | 731 | 768 | 806 |
| <i>Transportation</i> | | | | | | | | | | |
| <i>Gas</i> | | | | | | | | | | |
| <i>Other</i> | | | | | | | | | | |
| Community | | 1 550 | 1 428 | 3 405 | 2 192 | 3 278 | 3 278 | 2 057 | 1 780 | 2 974 |
| Parks & gardens | | 302 | 383 | 1 641 | 428 | 459 | 459 | 684 | 709 | 1 034 |
| Sportsfields & stadia | | | — | — | — | — | — | — | — | — |
| Swimming pools | | 14 | 10 | — | 18 | 18 | 18 | 12 | 13 | 13 |
| Community halls | | 217 | 215 | 641 | 790 | 1 781 | 1 781 | 313 | 316 | 774 |
| Libraries | | 4 | 17 | 7 | 9 | 9 | 9 | 9 | 10 | 10 |
| Recreational facilities | | 30 | 9 | 11 | 11 | 11 | 11 | 12 | 13 | 13 |
| Fire, safety & emergency | | 289 | 313 | 389 | 382 | 398 | 398 | 397 | 60 | 437 |
| Security and policing | | 464 | 468 | 550 | 489 | 548 | 548 | 572 | 600 | 629 |
| Buses | | 7 | — | — | — | — | — | — | — | — |
| Clinics | | 8 | 6 | 23 | 5 | 0 | 0 | — | — | — |
| Museums & Art Galleries | | 65 | 7 | 4 | 9 | 4 | 4 | 5 | 5 | 5 |
| Cemeteries | | 156 | 2 | 139 | 50 | 50 | 50 | 53 | 55 | 58 |
| Social rental housing | | | | | — | — | — | | | |
| Other | | | | | | | | | | |
| Investment properties | | — | — | — | — | — | — | — | — | — |
| Housing development | | | | | | | | | | |
| Other | | | | | | | | | | |
| Other assets | | 307 | 450 | 670 | 610 | 663 | 663 | 992 | 1 400 | 1 094 |
| General vehicles | | | | | | | | | | |
| Specialised vehicles | | 10 | — | — | — | — | — | — | — | — |
| Plant & equipment | | | | | | | | | | |
| Computers - hardware/equipment | | | | | | | | | | |
| Furniture and other office equipment | | | | | | | | | | |
| Abattoirs | | | | | | | | | | |
| Markets | | | | | | | | | | |
| Civic Land and Buildings | | | | | | | | | | |
| Other Buildings | | | | | | | | | | |
| Other Land | | | | | | | | | | |
| Surplus Assets - (Investment or Inventory) | | | | | | | | | | |
| Other | | | | | | | | | | |
| Intangibles | | — | — | — | — | — | — | — | — | — |
| Computers - software & programming | | | | | | | | | | |
| Other (<i>list sub-class</i>) | | | | | | | | | | |
| Total Repairs and Maintenance Expenditure | 1 | 5 097 | 5 505 | 10 013 | 8 548 | 10 299 | 10 299 | 6 250 | 6 545 | 7 598 |
| Specialised vehicles | | — | — | — | — | — | — | — | — | — |
| Refuse | | | | | | | | | | |
| Fire | | | | | | | | | | |
| R&M as % of PPE | | 2.1% | 1.4% | 2.3% | 2.1% | 2.3% | 2.3% | 1.4% | 1.4% | 1.5% |
| R&M as % Operating Expenditure | | 3.9% | 3.4% | 6.1% | 4.4% | 5.1% | 5.1% | 3.0% | 2.9% | 3.1% |

16.4 Future financial implications of the capital budget

| Vote Description R thousand | Ref | 2013/14 Medium Term Revenue & Expenditure | | | Forecasts | |
|-------------------------------------------------|-----|-------------------------------------------|---------------------------|---------------------------|---------------------|---------------------|
| | | Budget Year 2013/14 | Budget Year +1 2014/15 | Budget Year +2 2015/16 | Forecast 2016/17 | Forecast 2017/18 |
| Capital expenditure | 1 | | | | | |
| Vote 1 - EXECUTIVE AND COUNCIL | | 1 005 | 37 | 45 | 60 | 32 |
| Vote 2 - BUDGET AND TREASURY OFFICE | | 293 | 242 | 325 | 310 | 275 |
| Vote 3 - CORPORATE SERVICES | | 2 330 | 1 070 | 14 025 | 1 215 | 1 500 |
| Vote 4 - PLANNING AND DEVELOPMENT | | 80 | - | - | - | - |
| Vote 5 - HEALTH | | 15 | 5 | 10 | 5 | 10 |
| Vote 6 - COMMUNITY AND SOCIAL SERVICES | | 420 | 1 272 | 6 320 | 50 | 110 |
| Vote 7 - HOUSING | | - | - | - | - | - |
| Vote 8 - PUBLIC SAFETY | | 820 | 865 | 507 | 2 450 | 770 |
| Vote 9 - SPORTS AND RECREATION | | 2 640 | 3 517 | 2 260 | 670 | 600 |
| Vote 10 - WASTE MANAGEMENT | | 4 062 | 200 | 770 | 400 | 300 |
| Vote 11 - ROAD TRANSPORT | | 28 510 | 26 010 | 21 020 | 5 050 | 4 750 |
| Vote 12 - ELECTRICITY | | 1 438 | 2 293 | 2 227 | 1 590 | 1 415 |
| Vote 13 - AIR TRANSPORT | | - | - | - | - | - |
| Vote 14 - WORKSHOP | | 260 | - | - | - | - |
| Total Capital Expenditure | | 41 874 | 35 510 | 47 509 | 11 800 | 9 762 |
| Future operational costs by vote | 2 | | | | | |
| Vote 1 - EXECUTIVE AND COUNCIL | | 2 579 | 3 447 | 5 031 | | |
| Vote 2 - BUDGET AND TREASURY OFFICE | | 895 | 941 | 987 | | |
| Vote 3 - CORPORATE SERVICES | | 1 185 | 1 229 | 1 732 | | |
| Vote 4 - PLANNING AND DEVELOPMENT | | 134 | 141 | 148 | | |
| Vote 5 - HEALTH | | 114 | 120 | 126 | | |
| Vote 6 - COMMUNITY AND SOCIAL SERVICES | | 330 | 347 | 1 068 | | |
| Vote 7 - HOUSING | | 106 | 111 | 117 | | |
| Vote 8 - PUBLIC SAFETY | | 7 231 | 7 535 | 7 873 | | |
| Vote 9 - SPORTS AND RECREATION | | 2 725 | 2 851 | 3 281 | | |
| Vote 10 - WASTE MANAGEMENT | | 6 678 | 7 220 | 6 869 | | |
| Vote 11 - ROAD TRANSPORT | | 1 297 | 1 363 | 1 430 | | |
| Vote 12 - ELECTRICITY | | 1 994 | 2 097 | 2 200 | | |
| Vote 13 - AIR TRANSPORT | | 12 | 13 | 14 | | |
| Vote 14 - WORKSHOP | | 41 | 43 | 45 | | |
| Total future operational costs | | 25 323 | 27 458 | 30 921 | - | - |
| Future revenue by source | 3 | | | | | |
| Property rates | | 33 019 | 34 683 | 36 598 | | |
| Property rates - penalties & collection charges | | 825 | 867 | 910 | | |
| Service charges - electricity revenue | | 56 636 | 63 767 | 72 904 | | |
| Service charges - refuse revenue | | 9 058 | 9 692 | 10 371 | | |
| Rental of facilities and equipment | | 1 267 | 1 333 | 1 398 | | |
| Total future revenue | | 100 806 | 110 343 | 122 180 | - | - |

17. LEGISLATION COMPLIANCE STATUS

The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) became effective on 1 July 2004. Elements of the act have been phased in according to capacity of each municipality – high, medium and low.

The LG:MFMA has introduced significant changes to the financial management of local government. One of the main changes in budget preparation is that the single year, line item budgeting – which was a common feature of the previous practices – has been replaced by multi-year budgeting at a more strategic level.

The LG: MFMA aim to modernize budget and financial practices at all spheres of government, thereby facilitating effective service delivery. The general public plays an important role in ensuring a budget is set to reflect targeted service delivery. For example, during the budget preparation process, Section 21 of the LG: MFMA requires communities and residents within the municipal jurisdiction to be part of the Budget and Integrated Development Planning (IDP) processes. Section 8 of this report describes how this has been achieved.

Communities can also monitor the performance of the approved budget through regular reporting of the Service Delivery & Budget Implementation Plan (SDBIP) and the performance contracts of senior manager. These are prepared at the same time as the budget, thus ensuring alignment at the start of the financial year. Section 15 of this report provides some detail of the departmental SDBIP's that have been prepared. These highlight the key service delivery and performance targets that senior managers are accountable for.

Some of the key budget reforms encapsulated within the LG: MFMA, that uMlalazi has applied, are:

- Forward looking, multi-year budgets with strategic focus;
- Clear links between budget allocations and agreed policies;
- Improved integration of budget and planning processes;
- New budget process timetable with earlier adoption of budgets by council and earlier audits of Annual Financial Statements;
- Improved in-year reporting according to vote/function;
- Improved financial management information;
- Service Delivery and Budget Implementation Plans (SDBIP) developed and approved with budgets;
- New accounting norms and standards;
- Improvements to procurement and Supply Chain Management policies and processes;
- Establishment of a new audit committee and oversight process reforms and;
- Focus on performance measurement,

The LG: MFMA implementation is monitored through regular reporting including:

- Quarterly reviews of LG: MFMA implementation plans and 12 urgent implementation priorities checklist;
- Monthly returns to National Treasury and monthly reports to Mayor and Council, as required by Section 71;
- Publication of information on the municipalities website (www.umlalazi.org.za) and
- Mid-year budget and performance assessment as required by Section 72

The Budget and Medium Term Revenue and Expenditure Framework (MTREF) was prepared taking cognizance of the contents of the Municipal budget and reporting regulations, Local Government: Municipal Finance Management Act No 56 of 2003, Circular No. 51 and the LG:MFMA Budget Formats Guide received from National Treasury.

The objective of the regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities and municipal entities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes of those institutions and other relevant matters as required by the Act.

OTHER LEGISLATION

The other important pieces of legislation when considering the budget processes are:

- The Division of Revenue Bill 2010 and
- The Municipal Systems Act (Act no. 32 of 2000), together with the Municipal Systems Amendment Act (Act No. 44 of 2003)

Division of Revenue Bill 2010

This Bill issued in February annually, provides the three year allocations from national government to local government. It sets out all the reporting requirements and conditions relating to the grants. Alongside this Provincial Departments allocate funding to local government by means of a provincial gazette.

These allocations are used when preparing the three year budget in order to comply with Section 18 of the LG: MFMA (relating to reasonably anticipated revenues to be collected). Additional allocations – both nationally and provincially – are sometimes made to municipalities. However, these are not included in the original budget as the allocations are not certain. When confirmed they will be included in an adjustments budget in accordance with Section 28 of the LG: MFMA.

The Municipal Systems Act (Act no. 32 of 2000) and the Municipal Systems Amendment Act (Act No. 44 of 2003)

These acts form the basis of the links between the budget and the Integrated Development Plan (IDP). In particular, the aspects that have been considered in preparing the budget are:

- Community participation (Chapters 4 & 5);

Performance management (Chapter 6) providing also the basis for measurable performance objectives in the Service Delivery and Budget Implementation Plan (SDBIP); and Tariff Policy (Chapter 8).

18. **MUNICIPAL MANAGER'S QUALITY CERTIFICATE**

I Thembakhosi Simon Mashabana, Municipal Manager of the uMlalazi Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act to a certain extent with the budget document as set out in schedule A of the regulations including the main tables (A1-A10), and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name.....T S Mashabana.....

Municipal Manager ofuMLALAZI MUNICIPALITY.....

Signature.....

Date.....26/02/2013

CONTACT DETAILS

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